

ANNEX J

QUALITATIVE SURVEY

Introduction

The following paragraphs provide a synopsis of the interviews conducted with ECC and DPA members. All of the 45-minute interviews were typed and key themes falling out of them identified. Each interview was then revisited and quotes were extracted to add substance and authenticity to the findings. Each objective is addressed, the initiating questions tabled and responsorial themes highlighted.

ECC

Objective 1 addressed the level of belief in SPI

The questions below advance the understanding of ECC members' views on this theme.

"What is your view of the Smart Procurement Initiative?"

Confirmed need with reservations

All respondents agreed with a need for the SPI and stated the main cause as being poor performance in the past. This is well illustrated by one interviewee who stated, "I think it was an excellent idea that needed to be done, at the time. As the public perception of the way that military equipment was being procured was quite bad", which resulted in "very bad press for the Ministry of Defence. This current initiative should hopefully speed up the way items are procured and hopefully make them cheaper, faster and better to coin a phrase".

However, he also qualified his remarks by stating, "The bad progress reported in the press can be attributed to the way the NAO go about actually reporting delays to projects". The NAO are adept at recording the delays, over-spends, and failure to meet specifications associated with defence programmes. However, they are less effective at recording the cause. Currently, the NAO are assisted in their task by the DPA and perhaps this is no longer appropriate and a more objective and complete picture could be provided by the Customer in conjunction with the IPTL.

Another commentator stated, "I feel its very early days and its still shaking itself out but it was a welcome initiative and I think we've got a lot more to do in taking it forward". He then focused on research which, was expected at some stage from the scientific body as in many respects research was not well addressed in the SPI because no doubt the destiny of the DERA was still in the balance, which to some extent it remains today. He went on to say, "we've got to make some changes in research in the way we manage research and the way we utilise the outcome of research in order to help people procure in a better way". This theme was supported by another stating, "With the advent of capabilities its more difficult to map the research into the equipment projects because now the research will be mapped onto capabilities and then you need a further mapping of the capabilities onto the projects." Perhaps one of the more difficult future tasks will be the management of research over and above the external problems of dealing with two DERA elements. Matrix management of research is not uncommon but with many capability managers now involved in the process only the CMs would appear to be capable of addressing the wider BoI issues. However, if they cut any capability funding they would also be guilty of transgressing the DEC's autonomy.

Linked to the business of research is the desire to place greater emphasis on technology insertion and this was another issue raised. "I think we really had to bring the process in line with current technology and rapid advancement in technology". This is a commendable aspiration and the only comment offered is that it is extremely difficult with platforms being required to enjoy greater longevity to predict what is required of a system from the outset to accept stretch potential and more difficult still to identify the associated life cycle costs.

"Smart Procurement is an excellent concept but it can only work if the organisation such as the DPA are given sufficient flexibility to be able to make trade-offs between the various components that make up the system". Trading -off historically was a task that caused consternation between the old customer and supplier bases, as he who conducts the task has considerable control over a programme. With the concept of moving responsibility for the SRD formulation to the IPTL, trade -off should be made by the DPA ensuring in the process that customers are content and it is believed that this is gradually happening. On a wider issue the flexibility referred to is anticipated by all involved in the process and falls within the category of greater empowerment. However, it might have been premature to state that, "now we've got the onus on the man with the money to deliver the project". In practise is this assertion really true? Any effort by superiors to curb empowerment parameters would have an adverse effect not only on moral but also on the culture.

Yet currently, savings measures are imposed from above even when it is recognised that a programme is jeopardised. One senior IPTL said that his manning difficulties were now acute and yet the level of saving sought had no correlation with the cost or status of what was referred to as a flagship

programme. I believe this was the genesis of a remark from a customer, who said, "I think projects could get held up for administrative reasons". But there is more to empowerment than giving them authority and responsibility there is also the quoted matter of, "actually allowing them to define the boundaries in which they work and get a sense of achievement from being able to work within those bounds". He went on to postulate and I agree that "the sense of achievement is the key thing for individuals and clearly if it provides improved value for money for the government then its got to be a good thing!" This sense of achievement if shared goes a considerable way to strengthen a culture.

One of the respondents believed that SPI was a "beneficial exercise because it attempts to put a better structure onto our procurement process. I think the areas where I have visibility of it are at the front end trying to make sure that the requirements are clear and clearly justified". However, the delineation of the scrutiny boundaries for any gate has never been well articulated. Rather than be determined as an Approving Authority 's need the scrutineers have enjoyed almost a free hand unless challenged. This particular freedom especially that enjoyed by the scientific scrutineers continues to cause delay and friction between cultures. Secondly, there is a belief that by cutting the number of requests upon the Approving Authorities to two events: the Initial and Main Gate the burden of proof is reduced. This is a specious argument and it could equally be argued that a similar level of detail is required no matter how many visits occur.

This next interviewee adopted a positive view of SPI because had just benefited from "taking a programme through in remarkably quick time to contract let which we did yesterday in the period of 9 months. So something about this business is different and works so positive". However, he was concerned that no effective process had been put in place, "to do the balance of investments at the higher levels". It is believed that the JCB have addressed this issue but really have no effective tool other than military and scientific judgement to decide between the CM areas where the balance of investment is going to lie.

"But actually the old ways of doing things and the amount of time it took just were no longer tenable". This statement was made in the context of rapidly developing technology. However, the individual was not convinced that "we've yet had a system delivered as a result of the Smart Procurement Initiative that's gone through the whole cycle" other than perhaps the odd small programme as described in the previous paragraph.. So using his words "its very difficult to measure whether it has been a success or not." This not unreasonable stance at this embryonic stage and neither should it detract from the reality that many are changing their behavioural norms in an effort to make this initiative succeed where others floundered.

This theme of an embryonic stage is well encapsulated in the following quotations again from experienced practitioners "If used properly it (SPI) can have the potential to reap great benefits". He then went on to say, "It does require a lot of effort by all of the people involved in every part of the process not just those dealing with industry but those dealing up here as part of the customer organisation and also those supporting the organisation such as the scrutiny community both technical and financial. We are making progress but it takes a bit of time and people are learning an awful lot all the time". It is believed that these words are not only encouraging but are worthy of recognition because this is a corporate initiative, still in its infancy and people should not be quick either to condemn or overly praise but rather should allow time to run a longer course before making judgement.

Confirmed need with concerns

"I believe it was necessary, timely and that in the long term unfortunately it will create more difficulties than it will solve." He went on to describe how the history of the past twenty years demanded change and the way forward must involve the continued effectiveness of IPTs in which he placed considerable store. His scepticism was then revealed, "I think there will always be a budgetary restraints and political restraints etc and dare I suggest even the service restraints as regards the practical chain of command and I think that over a long period it will distort the process and will jeopardise and probably restrict the freedoms of SPI." There has always been a political card that is occasionally played once the EAC have made recommendations and sometimes before. In the absence of a defence industrial policy this should come as no surprise and was used in the Chieftain and the Ambulance replacement programmes. By overturning the EAC recommendations further delay and cost was added to both programmes. The military chain of command continues to exist and in the MOD is purple in colour with a tinge of senior civil servants. It would be a particularly tenacious or foolhardy officer who continued with an Initial or Main Gate submission when advised from above to halt. This issue becomes even more complex when rank and responsibilities come into play between the DPA and Customer staffs and will continue to confuse the clear cut link between DEC and IPTL. Another interviewee further exposed this concern,

"I think the attempt to smooth the process and strip away the bureaucracy associated with our system is a good idea." He then went on to share concern over the adverse political influence, "which undermines any initiative because they have the final say". He then moved on to concern at the adoption of new practise which was particularly interesting coming from an officer with only one year's experience in post. "I don't think its been adopted as widely as it should have been or could have been " and that " some dinosaurs within the organisation would "revert at the drop-of-the-hat to the old system", but I think the concepts good.

Other customers introduced the theme of doubt over the validity of the SPI processes. "Whether or not what is actually proposed will necessarily achieve that." and "Whether that is a realisable aim is another matter". Another observed, "Whether you can actually end up with a faster, better, cheaper or not is another matter." These observations stem back from a healthy questioning of a none proven hypothesis, which nevertheless was worthy of further effort, "that you shouldn't try". Another shared concern involved the apparent lack of a complete process and that was clearly evident as even the EC organisation was still in its infancy in the autumn of 2000 compared to the DPA, which had stolen a march as early as April 1999. Although it was precipitative of the DPA to launch IPTs et al when at the same moment in time the Customer base was still considering its structure, some confidence should be taken as the penultimate DCDS (Systems), Lieutenant General Sir Edmund Burton, had done much to tackle what were to become many of the SPI processes: including the structure of a Central customer and the benefits of Systems Engineering and Approach.

Confirmed need with cynicism

A healthy degree of cynicism does not detract from a cause and this type of approach is well summed up in this commentary, "The Smart Procurement Initiative is in my view nothing really new it's a better codification of the way that we were heading towards in the first place". He then went on to extol the benefits of SPI and proposed that it was a better course than they were actually following. A senior representative with considerable experience noted there was a risk that, "SPI could in 4 or 5 years time when looking back look just as silly if we think that Smart Procurement is a peg in the sand of which we just aspire to rather than move on from. It has to continue to be modified and for us to learn from it and the risk is that the dogma of Smart Procurement will be turned into orders in the same way as the dogma from previous eras." This really stems back to an earlier observation that whatever SPI embraces today if it is a dynamic process then its future shape should be different. However, this calls for resources to keep regularly reviewing the processes in place and calling for ideas from the workforce. I am not convinced that such mechanisms are in place.

A newcomer to the acquisition process suggested that "Smart Procurement is certainly something that's Ministers and the like are very keen on trumpeting as being a panacea." In practical terms, I can see the IPTs to be working very well as there is now a team cohesion which, was lacking in the past". However, he was less than encouraging when referring to current practise, "Process, must have been awful in the past if this is what it is like working now".

An experienced graduate thought that, "if pursued properly in the way its meant to be pursued it is OK". However, he went on to suggest that it remains a risky approach because, "In the United States its been shown that it doesn't work and it is a take-over by the accountants and instead of being faster,

cheaper, better it becomes cheaper, cheaper, cheaper. He was unable to put further flesh on this statement other than to say it was the experience of the Aerospace industry. Another interviewee suggested that our processes were completely driven by money and that a search for an effective capability was a secondary issue. He also noted that SPI was essentially a risk reduction exercise with spending occurring up front. He was unable to identify any examples of this, "happening in the way the Ministry is pursuing it". Instead he proposed "is they are actually cutting staff and its staff that make Smart Procurement work, good staff and if good staff are leaving or being retired early experience is lost and then I don't see how it can possibly work." A theme touched upon earlier.

Then there was the view that, "I like the theoretical idea that we are empowered to direct the programme within our own spending constraints which were much more than the previous regime". This acceptance was combined with "it's very sensible that we are looking at it from a much more a joint defence perspective, albeit there are still very many project orientated thinkers within the organisation" noting that it would take about 5 years for the process to bed down. However, frustration shone through when he reflected that bureaucracy remained and could not understand why six 2 stars and a 3 star were required to run the organisation when the one stars/ colonel DEC's are meant to be empowered. This was a common issue, which to many was seen as maintaining a "galactic" head count. Particularly, as the single service representatives albeit dealing with a capability based organisation of DEC's do not represent the equipment case to the Service Boards. Rather this remains the function of the DPA XD's who in turn have to transgress their stated areas of responsibility to provide a comprehensive picture to the Boards.

I rather sympathise with the comment that, "Like the Curate's egg it is good in parts": on the one hand it has many revised processes which should be beneficial; but the savings exposed are both massive and there is doubt surrounding their delivery. To add substance to his positive position he went on to suggest, "that previously we had a situation where we were organised in terms of the cultures of the 3 Services together with the other force the CIS, who nobody ever spoke to or understood. We now have a system in which we have a much larger number of smaller boxes under the DEC's and in some ways that may have established a much better communication within the boxes." Two observations: the creation of autonomous DEC's has devolved responsibility but to glean a capability overview is challenging for the small Capability Management team. Moreover, clearly there are benefits in smaller autonomous teams but the impact of operating cost cuts will have a much more significant impact than on a Directory which provides greater flexibility through numbers. The demise of an engineer orientated DEC within CM (M)'s area was typical of the draconian steps that have to be taken when faced with savings, particularly when Engineers rather than any other organisation within the Forces are required in all forms of operation..

Then there were those who enjoyed the broader thought processes introduced, which involved thinking, “across the defence as opposed to the stovepipes we had before”. This direction allowed a divorce from the “ old OR way of doing business where we allowed ourselves to be drawn into project management”. Although this change had clearly taken place people were still facing barriers, “ based on old practises really and where things were being assessed against existing old standards and therefore they were trying to make the new model fit the old.” Many were supportive but were frustrated that, “we haven't managed to take everyone with us” particularly outside the EC and DPA areas.

The road to Damascus

This particular Director had a specific experience not articulated by others but certainly shared. He started by covering his early perception of SPI. “Wallpaper, flannel, something that we were dreaming up or essentially political with a small 'p'”. Based on considerable experience he reflected that “The savings target of 2 billion I saw as a fairly artificial number and something that in real programming terms I didn't expect to see achieved”. Some two and a half years later his perception was fundamentally different. “What I have seen is that a lot of people have come to regard it as a touchstone for very significant change in the way in which they do their business” and “ they regard the world as now different. They regard themselves as having much more structure and professionalism to the way in which they work. They also possess a much clearer set of objectives. If for no other reason I would therefore regard the Smart Procurement Initiative as a significant success because it has changed peoples perceptions, sure within the DPA, certainly from outside the DPA.” He also saw the impact on the Ministry as significant”. He went on to postulate that “people have gained different expectations, some of which will certainly be disappointed, but many are being achieved and are importantly conditioning people to expect that things will improve”. I make no apology for such detailed quotation because this interview encapsulated much of the ethos that I experienced during my numerous visits and interviews. I cannot imagine any long-term practitioner in the acquisition arena as being other than cynical initially about some areas of the SPI processes and yet for many that jaundiced view has been significantly altered.

Involvement in developing SPI?

General

There are two key background notes that should be appreciated when reading the analysis. Firstly, within the organisation of DCDS (Systems), which was the precursor to DCDS (EC) organisation there was considerable internal activity conducted to ensure that Mckinsey's Acquisition Organisation

Report (AOR) work which was focussed on how the MOD procured equipment and how it was organised to do so should benefit from the views of what was to become formally the Customer. The prospective Customer then employed McKinsey to carry out the Customer Review, a study to look at their organisation and processes and how they were to interface with the SPI. Into that review was fed their previous, "out of the box" work. The aforementioned work was conducted within the ACDS areas by small teams and within DCDS (S)'s Secretariat and his Management Team. I will refer to all this work as internal involvement. The second point is that each year a significant number of Officers change appointment: a minimum of one third and this impacted on the number of interviewees that were actually involved in the SPI development process. In this instance 11 of the 30 interviewees were relatively new to the Customer area because some had transferred in from the DPA, DERA, RP and Plans areas. I was not particularly interested in these candidates hypothesising and therefore often moved on to another topic.

Not involved and in the Area during SPI development

The impression gleaned from the interviews with desk officers was that restructuring was considered at a much higher level. "It didn't seem to filter down or be conducted below Directors". This is indicative of the poor communications that existed within the area at that time because Directors were tasked to convey all initiatives stemming from the "think tanks" and seek other comments or innovative concepts from their staff. I have some sympathy with the view that, "consultation at the level of the desk officers would have been worthwhile because whilst the one and 2-star levels clearly have their views by and large they are not the people who are dealing day by day with the DPA and the contractor". Similarly, there was a mixture of staff who felt that "to be actually invited to contribute to those ideas ... would give me greater job satisfaction if those views were at least listened to". This attitude has to be balanced against the continuing need to deliver Capability, which was already stretching the average working day.

There is one associated observation and that is in regard to the collective practical experience within the Systems area. Less than half of the senior staff had prior experience in the area. An area which continues to be both technically as well as militarily demanding and where an awareness of the complex processes which exists to deliver capability is essential. Without belabouring the point, there is merit in ensuring that appointments are filled by people with a thorough knowledge of the acquisition system and where possible this should be gleaned through a combination of the knowledge and practical experience achieved through the acquisition stream.

Internal involvement only

Many of the respondents were involved in the practical steps associated with DEC roll out and with which members of the staff remained or went as RMs to the DPA. Others were involved in the continuing need to develop adequate processes through bodies like the Approvals Working Group who address such issues as business cases and specific approvals strategy: issues which were still in a formative stage some two years into the change process. Others within the scientific community were addressing the way forward for research and what IT was required to support their processes. One was involved in a breakthrough of an IPT at Abbey Wood, but was quite derogatory with his comments, "My ideas were occasionally asked for. Most of the time ignored from my point of view and also my peer's point of view". Perhaps a more important observation would be that the IPTs invited the Customers to a part of the breakthrough and in that process immediately introduced quite a radical change to the culture. In listing the myriad of tasks that faced the individuals an insight into the different dimensions of change that were demanded by the SPI and associated initiatives is provided all of which also impact on culture. There was one other issue raised, that of ownership, which was introduced at a senior level, "no I didn't have any sense of owning it", when referring to his lack of participation in the formulation of SPI. And yet it is well recognised that through participation identification with and commitment to group tasks are encouraged³⁸², which again impacts on culture. Ownership of any successful process should provide a sense of responsibility, commitment and pride, which are all respected values.

External Involvement

One interviewee was deeply involved firstly with how the SPI would effect the MOD organisation and how such issues as processes and structures should change. One of the key issues he addressed as part of the MOD McKenzie team was capability. "One of the good things that came out of it was I think the separating out of the capability we need, which is very much a government policy function and the equipment we buy, which to me quite rightly lies with an agency. But what it entails is having two organisations that can talk to each other through the appropriate agreements and at the time that was a completely different culture to the way the building was working". I too share these sentiments and hope that other blooded veterans embrace it with equal fervour.

Novel Aspects of SPI?

General

There were a wide range of responses from the more obvious of IPTs, DEC's and empowerment, speed of procurement process through to new relationships stemming from the new organisation. Key to this

³⁸² Methods of Culture Change, Chapter 3, Williams, Dobson and Walters

area was the introduction of addressing capability rather than equipment alone. Then there were those who saw a new professionalism stemming from the Reform coupled with higher expectations from the process than hitherto. Few were cynical but there were interviewees that felt that little was novel rather it was either a re-brigading of ideas or learning from industrial or foreign governmental experience. Outlined in subsequent paragraphs are observations placed under these themes.

New, faster and more efficient processes, new order and empowerment

As was to be expected the majority saw most novelty in this area of responsibility and empowerment and process. Whether this was because the greatest spin and publicity has been given to these themes or that the greatest insight was afforded to these themes is questionable. Most people addressed these issues as a combination intimating some form of inter-dependence. "Well the whole process of approvals has been speeded up", by presenting the case only twice to EAC, bringing industry on board, and everyone getting together in one big team although that perhaps should have happened in the past". The language is naive in referring to the, "big team" approach but the sentiment is certainly sound and can be encapsulated in the word co-operation; whether this word has truly become a behavioural norm is in doubt as the quantitative survey found. Whether the approvals process will actually reduce time is also debatable as, on going forward to the, "the main gate have a 90% certainty of satisfying approvers that there is a 90% certainty that project will fall within the price, cost and time envelope". Another fine goal but there is such ambiguity surrounding the task let alone the detail of generating meaningful figures that instead of speeding up the process could instead lead to delay.

Related to the new teaming arrangements is the "benefit to be gained by the DEC's and IPTL's empowerment" which was also elevated to, "I think that's to me anyway the key cultural change". The issue of the level of empowerment has been addressed and it should not be forgotten that as long as these key people live within a hierarchical based society their responsibilities can be expropriated or influenced from above. However, a senior officer suggested that DEC's were, "not required to continue to be put their questions up a tree to find out whether the top officers think it's a good idea or not, they are empowered to do it," so perhaps with less visibility the CM's will respect their new found autonomy. On the same topic there was a view that, "Those taking the decisions have more control of the money than they maybe had in the past". Also that, "Smart Procurement as an idea is very powerful in giving those people the room they need to manage things in the way they judge they need to manage them if they are going to get the best result", without a "rigorous command structure". I agree with these sentiments but whether they have more financial control than the old General Staff Operational Requirements who preceded the introduction of RP divisions and were responsible for their own equipment budget and its management is doubtful. They did not, however, enjoy the flexibility now enjoyed by DEC's of being able to switch monies between programmes within a

capability area and thereby be “able to actually and ideally exploit technology and opportunities that are there.” But there were teething problems with conducting these new tasks for example when Equipment Programme 00 was put together “ we found, ourselves having to do all this work which used to be done by the Plans staff without the immediate background and the guys involved picked it up very, very quickly, but I don't think it helped on the initial transition.” This ‘means versus ends’ paradox could have been ameliorated by management attempting to reduce the starkness of some of the contradictions³⁸³ by in this instance informing the staff that integration of the manpower and expertise was soon to occur. The compelling historical theme of “ willingness to put the money up front to risk reduce” is also seen as novel if applied although there is little evidence to suggest that it remains anything more than an aspiration.

The theme of senior management is once again addressed this time looking towards the Management at 2 and 3 star level. “Again I know in theory there is supposed to be a higher level decision making process but from what I've seen of the JCB output at the moment apart from the Equipment 2000 Plan I haven't seen it make many decisions yet.” This could be a reflection on the relative gap in status it could however suggest that the

Senior management needs to do more to broadcast the change process and inspire new values to be adopted

Re-organisation and new relationship

“I think empowering the agency, the DPA, to get on and do what its supposed to do. Forcing the MOD and I say forcing because I don't think it went willingly, to step back from detailed involvement in the equipment issues and taking a more quality driven capability based approach to what it was trying to achieve.” This statement goes some way to explain the fundamental change in responsibility. This was further qualified with past reference to “ the deep and intimate focus on equipment in this building, in one organisation”(Systems area), “without having the overall financial responsibility for the impact of the equipment on the service as a whole” was inappropriate. One of the “great benefits of the organisation that we've now got is that the two go together” in other words there is greater inter-dependence and presumably synergy than before. A common theme of closeness is well illustrated by, “the relationship that we have here in the building now with the IPTL is very close to my own team leader and I think the majority of the other gate personnel as well”. Again this might not be totally novel but it certainly wasn't the norm from my experience and should further assist in the sharing of aspects of cultures. And all this is being achieved in an environment where, “ more formal arrangements between the DPA and the equipment customer, in the sense that customer supply

³⁸³ The Age of Paradox, Charles Handy

agreements" now exist and are much more effective than the unspoken and unwritten agreements of the past. Providing as they do clear boundaries and goals for both parties to share.

Relationships have also changed now that the, "customer has a RM within the DPA to maintain oversight of the requirement and how it has been developed and how that's changed from a URD into a SRD, which in turn is passed to the contractor". The RMs presence in the DPA camp will further enhance the understanding and co-operation between both parties as well as speeding up the overall process. In addition, loose translations between key documents should be a thing of the past.

An internal DEC re-organisation has resulted in, "the integration of customer science staff within the DEC's which in my view has been beneficial and there is a much better teaming of the scientists within the DEC's towards the common purpose". Prior to the re-organisation, the D Science structure was a separate Directorate within the ACDS' areas. Where scientific staff were only loosely affiliated to the DEC predecessors and were employed on a matrix management basis which precluded most scientists from "having a full view of the underlying activities and priorities". Once again the move towards closer co-operation should pay cultural as well as programme dividends.

There was concern, which is shared that they, "don't think we have developed the customer two, customer one relationship very well". This could well be the case as it was recognised³⁸⁴ that when Customer 2 was brought more emphatically into the procurement equation sufficient resource would not be readily available to conduct the task. In LAND for example barely a quartet of officers were involved in equipment issues. This should be remedied post haste if equipment and capability is to match the end users vision.

The integration of contractors into the IPTs and DEC capability working groups may overcome past difficulties of getting the contractor to listen to the concerns of the MOD and could allow requirements to be developed and more responsive to change. There are considerable doubts that SPI is fundamentally, "going to change the current status quo because at the end of the day the contractor is answerable to his shareholders" and therefore profit driven. Having worked with industry albeit as a consultant since leaving the Forces it was apparent that they wanted to enjoy a closer relationship but the practicality of such a situation had simply not been thought through. This dichotomy is shared in the USA.

The overall benefit appears to be "greater synergy between the science, the military and other specialists within the broad church who have an interest in equipment acquisition and indeed its

ultimate use". This has been achieved despite the cultural flux that has been associated with the evolution of a defined central customer, including the integration of DGE and his staff, the introduction of DPA and DLO and the uncertainty surrounding the DERA's future.

Capability

From a Central customer perspective a fundamental and novel change was, "Also moving to capability as opposed to stovepipe, land, sea, air equipment should mean that we're actually delivering equipment capability rather than just pieces of kit, platforms or whatever". Often these equipment when introduced into service were not complete capability as the Attack helicopter programme exposed as training devices and adequate spares were not adequately funded or provisioned initially. Creating a more Central oriented culture will do more to harmonise activity as well as improve efficiency but to alter their fundamental beliefs is no easy task as long as individual service people expect to return to service duty.

Professionalism, expectations and work

"It could be argued that in absolute terms there ought to be very little novelty. If what we are doing is simply procuring effectively then what we ought to be doing is applying good business, but not necessarily commercial business, procedures to getting a difficult and complex job done effectively". After all McKinsey was recommending nothing more. In the view of another senior and experienced interviewee, in MOD terms, the novelty that was most novel in its perception "was encapsulated in the word professionalism. That's not to say that the PE didn't used to think of itself as reasonably professional but just that no one else ever thought it was! And the way in which it has gripped itself, invested very significantly in team creation, team building, the professionalism of the individuals within teams, taking time out actually to think through planning, organising and so on, itself. That in MOD terms, at least in civilian MOD terms, is to me a novelty. I've not been aware of any such significant programme of, lets call it re-education, for civilians before. And that is producing significantly different attitudes". He went on stating that "People in Abbey Wood and increasingly in other places like the MOD and DLO as well, are capturing enthusiasm which to certain jaded civil servants towards the end of the 1990s was a commodity in short supply". I have a considerable sympathy with this view as almost all interviewees were enthusiastic and were tackling the SPI implementation apparently in a professional fashion. Enthusiasm would have a significant impact on the rate of culture change and again this commodity was apparent in the majority of my discussions. It is not abnormal for junior management and staff or people relatively new to an organisation to be enthusiastic regarding change and the majority of my Customer interviewees fell in to one or other of

³⁸⁴ DMCS Study No. 17/99.

these two categories. It is the long-standing members and senior management within an organisation, who tend to be less receptive because they see a resultant diminution of their power and they were few.³⁸⁵ These two factors of professionalism and enthusiasm have led to increased expectation in the Customer base that the new system of procurement will be more effectively.

Spin

I won't enlarge too greatly on spin or propaganda as it will be covered in depth later. However, for completeness one military candidate had only a very limited insight to the SPI and offered, "what gets rammed down your throat somewhat when you are trying to learn, when I came into this system, was it was faster, cheaper, better and it's not something that I've heard before in previous jobs." I use this quote for one reason, here was a graduate with a good track record and yet his awareness of procurement issues was limited. There has to be a way that individuals entering an organisation are aware of the environment and processes before they take up post. It is appreciated that the EC area runs indoctrination periods but perhaps a wider education should be introduced. It is difficult to change culture when you cannot identify clearly with the operating environment.

Plagiarism

One interviewee who had experienced two reorganisations and "had several posts cut from underneath me in that time" did not view reorganisation as novel. The process clearly isn't novel but the final restructuring in the Customer area had to be unique. He also espoused that most of the high profile themes of IPTs and empowerment were "lifted from the US experience". As before there is a certain logic in his comment but within the MOD it was new.

Another scientist proposed there was nothing new because, "I've spent the first 15 years of my career in industry and it seems to me that what we've tried to do is bring some of the better industrial practices into a system that was somewhat high bound". Again I have no difficulty with this statement as, for example, IPTs and risk reduction activity is normal industrial practise.

Another interviewee carried on with the theme. Proposing that, "SPI was no more than adopting, good established best practice that's used in the outside world and I suspect that a lot of the techniques are being distilled from good engineering practices that have evolved over the last few years as a consequence of the rapidly changing world and rapidly changing technology". Technology Insertion and Systems Engineering are two areas which illustrate his point. I was interested to explore this train of thought further and sought his views on the difference between profit and non-profit orientated

³⁸⁵ Vertical Take Off, Chapter 9, Sir Richard Evans.

organisations. He considered that “whilst a primary motive in industry is profit to achieve that goal they need to deliver products that will fit into the market place and be usable”. Although only part answering the question there clearly can be synergy between both industry and government because they do share one common goal namely the need for an effective product. . What MOD has not picked up on is the industrial norm of, “sacking those that do it badly nor promoting and encouraging”. This view expressed by a senior officer is certainly true from my experience with regard to dismissing. There were numerous people whose performance was inadequate, I hasten to say not under my management, but I only recall one incident that involved premature removal for incompetence.

My final comment on the theme of novelty is best encapsulated in the remark, “ So I don't think the processes are novel, I think their application to MOD is probably novel”.

What aspects of SPI do you believe in?

General

The themes associated with their beliefs fell into specific mechanistic benefits such as separation of new- found responsibility, technical advantage and co-operation between teams. A small handful of doubting Thomas's existed and at the other end of the spectrum was a general belief in the SPI philosophy.

SPI Philosophy

To many their beliefs were an act of faith rather than having practical experience as is manifested in the following comment “I would say I believe in most of it actually. It seems like a good thing to do. It's bringing better practice into MOD and the way we buy things”. Sometimes this phenomenon was described as, “a more business-like approach”. In cultural terms there are many similarities between profit and public sector organisations from competing for resources, needing direction and purpose, and the requirement to reduce costs and improve efficiency³⁸⁶. Ironically the Forces were especially reticent to recognise this fact. However, there was one caveat to the business- like approach and that was “when DLO spreads its wings a bit further and absorbs DPA into one organisation that will make life a bit simpler for everybody”. Such an expansive comment which, though having merit would probably benefit from a delay in implementation to allow the two partners to sort themselves out.

³⁸⁶ Living Culture , Chapter 6, Jan Thornbury

Another perspective was the overarching view that they should, “ look at all possible ways of improving the way the MOD does business”. Moreover that this activity was not a one off but a dynamic involving, “ keep looking again at our procedures as an element of Smart Procurement”, which is an essential activity yet often forgotten after the initial euphoria has died down.

There was a shared perception, “ that we can actually do better”, which was attributed to “ a greater belief in ourselves”. This is a particularly important observation from a body that was associated with many public examples of failure. Throughout my decade working in Operational Requirements there was an air of frustration at the inability of the system to deliver equipment effectively and anybody but us was to blame. No doubt the other participants in the process adopted a similar view but sought other scapegoats. It would appear that SPI has provided an opportunity to make a new start, which entails people taking pride in themselves and with their new found confidence work closer with others. Which in turn will reduce any major cultural differences by instilling common values and behavioural norms.

Associated with a belief in themselves was a related belief that SPI would allow the participants to “deliver the equipment part of operational capability as effectively as possible” and coupled to that, “ spending taxpayers money in as responsible a way as possible”. I don’t believe anybody actively involved in the old process was not angered and ashamed by the poor investment of national funds. Continuing with the theme of money there was those who felt that SPI implementation would be constrained by finance and they were not just referring to operating costs. We will address the “cheaper “ versus affordable argument down stream. Interestingly, only one person believed that the faster, better and cheaper adage would be realised in totality.

Functional Separation

A strong belief was held in the, “ separation of equipment acquisition from capability management” and in so doing clarifying the roles, functions and responsibilities held both sides of the divide. An issue that caused friction in the past with individuals straying into different pastures almost at will: which led to disharmony and then inefficiency. As an aside, one expert in the field of business cases felt that the delineation of responsibility could be improved further as ambiguity still existed with responsibility for submitting the cases still lying in the Customers hands rather than DPA’s.

Many believed in the capability structure but had reservations about its current integrity. Again it was seen as, “a better way of spending MOD money, well OK we’ll lose a ship because we can do it more effectively other ways”. The reservation held quite widely by all creeds was that they were not convinced that their “peers in all the other areas are willing to shrug off their”, single service artefacts to make “honest appraisal of how effective they can spend MOD money”. As stated earlier Joint

education and the greater emphasis now being placed on, "Jointery" should with time allow these fears to diminish.

IPT and DEC

The strongest held belief was in IPTs and DEC. Specifically in the way in which, "they have given those teams real substance, a real belief in themselves". And the, "way in which they have identified their leaders as really significant players", when historically they were not. That is something that I regard as significantly beneficial but it has its risk if the individuals aren't up to the job. Hence the need for both, "carrots and sticks".

An associated belief was in, "empowering an individual at whatever level he is at" and that was immaterial of whether they are, "in the DPA or the central customer or indeed in DLO". It was also believed that if individuals, "accept the responsibility and accountability and are empowered then they will deliver better than they did in the past". One individual was questioned further on whether full empowerment would happen and did not think so because, "empowerment within the public sector runs the gauntlet of accountability scrutiny and affordability", and he failed to mention, "and senior management!"

There was also a strong belief in giving Capability Managers and DEC the responsibility for making, "the hard decisions about what trade-off they wish to make in terms of capability at the highest level". Whereas previously in the Long Term Costing rounds the old Resource Planning branches would occasionally put up savings options based upon financial criterion without due regard for their impact on capability. Although re-organisation has integrated the RP and Plans equipment function into the EC area I do not believe that this will replace the culture of, "swallowing your own smoke" or "salami slicing" until a more sophisticated BoI tool is invented.

Another aspect of the teamwork ongoing in IPTs and DEC is the vision of greater synergy now in being through much greater communication and understanding between these two bodies than hitherto. This was also described as, "fostering collaborative working by the various components, customer one, customer two, supplier". From my own experience I would like to think that this experience is not novel but rather best practise that is being spread effectively through the auspices of SPI. One person believed that unless, "people do share a basic positive feeling about Smart Procurement then it will be difficult to make it work", that feeling he went on to describe as shared beliefs.

One of the more novel beliefs was to do with the strength of personality and vision of the IPTLs and DEC. What was happening in this respondent's view, a view formed specifically during the formulation of EP00, was that DEC sub-cultures were forming, which in turn produced creative tension between them. Sub cultures are normal in any large organisation and will persist immaterial of the pervasiveness of the change culture programme.

Technical benefits

There was a belief that the SPI was necessary in an era of fast changing technology to, "exploit and tap into that technology in much faster timescales than the others". The benefits of, "committing yourself very late in the day in terms of the sort of technologies perhaps that you will put in" were extolled and was described in Americanise as, "not solutionising too early". Working closer with industry was also believed in, especially if it led to greater control. In the words of an interviewee "MOD can, no longer tolerate gross inefficiencies or what we perceive as gross inefficiencies by industry. In other words, we are perhaps better able to keep control of programmes rather than writing a requirement, fire it out and then just pray that it will sort itself out in the end". Whether industry has the competence to deliver some of the more complex technologies clearly was ignored. There is a paradox here because at the same time MOD is supposed to be working closely with industry, there is also a belief that we should be saving more money. But surely this will be mainly achieved at the industrialists' expense so they won't be pushing for economies?

However their cash flow should benefit partially by spending greater sums during the concept phase and so define the programme more closely and this was believed in by more than just the scientific and engineering communities. In so doing there is always the possibility, "of minimising escalation downstream".

None Believers

As with most initiatives and particularly during the early stages of implementation there are always doubters and in this case they were all experienced, over 40 and from mixed backgrounds. One uncommitted person had shared a myriad of changes during his career and thought SPI unique because it turned on its head so many tenets, which were set in tablets of stone. After further discussion it transpired that the genesis for this remark was the misunderstanding that co-operation was being abandoned to facilitate a closer working relationship with industry. Perhaps his crystal ball was clearer than mine? Others did not share the final comment on this particular theme. Perhaps because they did not wish to expose internal issues? He attributed a lack of belief in SPI down to two issues. He had

only limited exposure to SPI processes and for him many of the capability processes were still rudimentary. As an example he surmised that there was not a single external body that articulated what overall capability should be owned indicating that this was a national policy issue outside the Customer's bailiwick and I suspect he is correct. To conduct this function for the SDR the MOD and Foreign and Commonwealth Office generated a joint policy document and I am not convinced that this clarity of vision is shared on an annual basis.

Which if any aspect of SPI do you find negative?

General

The themes emanating from this area of analysis were that less than 50% of the interviewees were a disbeliever regarding SPI. A significant proportion did not believe that all the processes were in place to implement SPI effectively and a small core did not believe that cash and manpower savings targets were either appropriate and/or achievable.

The Believers

The majority gave a similar response to "there was nothing I'd say is negative" when describing SPI. Then qualified their position by stating "Some bits I think have been proving more difficult than some of us expected" or words of a similar nature. Then a number of practical process issues were then addressed, "for example partnership with industry and how much do you actually involve industry" in the workings of the Capability Working Groups. Or they believed in the process but saw greater need for time to resolve some of the practicalities of operating effectively. Or that there were so many involved in the change process rather than delivering capability that it would take additional time to realise the aspirations of SPI. However, the key deduction is that there are more believers in the SPI than disbelievers.

Financial

There were those who, "still don't believe in the savings". "The way in which we have identified the £2 billion and claimed to have achieved this" was viewed as, "a little bit of smoke and mirrors", which did not, "make life easy". The hypothesis offered was that instead of reducing the Defence Procurement bill by £2 billion what was actually achieved was the removal of considerable financial risk, which was there and would have made the programme cost more. Interestingly one interviewee built on this theme suggesting that, "We'll always be troubled by problems of affordability". And rather like past experience this will incur, "putting breaks on at inconvenient points in the projects life

and will always mean there will be some discarded projects". Moreover, he went on to suggest that "issues of public accountability, parliamentary scrutiny and so on, will continue and constrain project activity" and that, "The political situation, in which we find ourselves frequently, particularly on collaborative programmes, will get in the way, as will domestic politics". I have no difficulty with this view as there are real constraints on how far we can take the Initiative forward and they often add to rather than reduce the complexity and affordability of the programme. However, all shared a similar perception that we should try and take account of these issues in the most effective way rather than simply let them make the process moribund. This is an area where more consideration should be given if greater freedom and efficiency are to be achieved.

There were those who disbelieved that, "we have yet turned the programme round into capability" and by failing to do that insufficient headroom had been freed up to change the programme's direction. Instead we were merely, "turning a handle on the old programme better and probably procuring the old programme better". But the aim of SPI was more focused on achieving a balanced and more coherent programme that would allow money to be freed up and flexed between capabilities and when required spent up front. Unfortunately this is more difficult to achieve in a scenario where legacy projects like Bowman continues to raise new financial difficulties and other legacy programmes demand additional funding to deliver an effective capability.

Another driver was the paradox regarding manning levels and operating costs. The inexorable government search for efficiency, which I often feel is synonymous with savings, resulted in manpower reductions in areas where the staff already felt over-stretched. One alternative was to exchange military by civilian manpower, which also delivers savings. Either way these measures often result in morale and efficiency problems. There was one person who suggested that manpower savings were acceptable as long as they were coherent. However, with a new business process still in its infancy and experiencing change it is almost impossible to predict what impact such savings would have on the SPI process.

Process

Related to operating costs is the level of Customer manning in London and the 131x RMs to be found at Abbey Wood. One person believed that the balance was quite wrong given that the RMs were being employed on the critical task of formulating requirements within the IPTs leaving a relatively large proportion of the Central Customer to focus mainly on Capability Area Plans and supporting GAP analysis. However, rather as with any other initiative it might be prudent to allow SPI processes to bed down and learn best practise from experience before re-attributing manpower to tasks.

Further development was also deemed necessary to the Strategic Plan, which should be formulated after the receipt of the Strategic Context Document, which is cleared by Finance and Policy Management Group and is provided to the Customer by the Policy Director. Concern surrounded the “question of cross DEC capability balance, how we actually achieve that and how we relate that to the broad guidance which will be in the strategic plan”: an issue which raises its head regularly in this analysis.

There were a few that did not believe that the move from strict rules to guidance and guiding principles helped the process but rather “people find that very intimidating to handle rather than liberating”. That phenomenon should not be entirely startling as the MoD like most government agencies found comfort in following precedence and clear rules that were laid down in such comprehensive documents as the Purple Book. An absence of rules has also influenced the scrutineers as it was believed that they were no longer clear on, “how they should be approaching things, what they should be demanding from projects and where the line is in terms of what is reasonable and what is acceptable”. And therefore the potential exists for a lot of conflict and misunderstanding particularly between the scrutiny community and the IPTs and DEC, which is not in the spirit of SPI. Here again is an area where some process development would appear necessary but again only after a reasonable period of practise.

There was some conjecture regarding the adequacy of the time afforded to bed in effectively the SPI processes. Moreover, “that degree of empowerment and belief that it is going to happen will take time as well” as will a clear delineation of responsibility. Equally important is the need to change the organisational culture and that certainly is not an overnight exercise even with a supportive following. I do not believe that short-term gains should accompany and frustrate initiatives and yet some have already been taken. Rather a balanced approach combining adequate resources and time would allow the spirit of SPI to flourish in a new culture.

To launch new processes without a comprehensive educational programme in place does create very steep learning curves and is likely to introduce some degree of failure and delay into programmes. Some respondents did not believe that an adequate training programme was in place to cater for the significant change between old and new practise, for example in the introduction of Systems Engineering.

A Motley Collection

One service person of Lieutenant Colonel equivalent status had pondered on the layers of management that still existed in the MoD and established that there were 10 layers between him and the Secretary

of State. He saw this as rather excessive describing it as, “ which in an organisation is probably too many”. His remedy was to propose a flattening of the levels. This is not entirely out of kilter with Ministers’ desire to have a greater openness in day to day business because in reducing the number of people between the subject matter expert and Ministers there is less chance for the message to be corrupted or new spin introduced. The vulnerable area, where the rank structure appeared to rankle, was the two stars. The problem, it was conjectured stemmed from a desire even before McKinsey placed foot in the MoD to retain a healthy promotion pyramid even though they were seen as adding little value to the process. It was not proposed that the whole two star lobby be removed but rather an Executive Board be established at that level with a much reduced complement left at the table. Often perceptions change with status and possibly few junior officers have sufficient insight into the roles and responsibilities of the CMs to appreciate the value added that they provide to the System. For example their attendance on international staff talks, particularly within French, German, and US military cultures is the only way that joint programmes can be effectively initiated and steered. DCDS (EC) needs the support of experienced officers to make balanced judgements affecting the MoD, although numbers could be reviewed downstream.

Do you believe that SPI objectives of faster, better and cheaper can be met?

A degree of “spin” and “hype” was given to Smart Procurement with the government’s use of the jargon, “ Faster, better, cheaper”. These three objectives will be treated as themes and tackled separately and finally the likelihood of achieving all three objectives will be assessed. Only one miscellaneous theme arose as a result of this question and that related to operating costs.

Faster

There was little doubt that “if we plan properly we can get kit into service more quickly”. However, this gave rise to a concern that speeding things up could impact on affordability. “Pulling things (programmes), major things forward increases cost pressures and makes management of the EP more difficult. But procurement speed will be enhanced by, “swept back bureaucracy, through fundamentally better planning, identifying the obstacles literally years ahead and addressing them earlier”. This scheme was qualified by a like minded person who said, “making subtle decisions earlier on and sticking by them” would ensure a faster process. However, there was a further reservation highlighting the current shortfall, “We’ve got a lot to learn though before we can do that really well.”

One respondent thought that since industry had been through a major down-sizing and rationalisation, he was no longer “ sure industry is in a position to do it faster even if the Department can react faster”. He recognised the closer ties but remained pessimistic. My own concern is that industry could deliver

early but there is a possibility of an OTS regime unfolding, which on delivery might significantly fail to meet the requirement notwithstanding its stretch potential. Furthermore I would disagree that downsizing reduces capability as in a competitively orientated industry only the fittest survive.

Another felt that, “if we change some of the value, some of the culture that we've got in this building I think we can achieve things faster”. He postulated that historically, “There was a cultural perfection whereby we tended to over specify, we tended to specify unachievable things” which consequently led to programme delays and escalating costs etc. His view has been regularly shared by the NAO. It was suggested that by “facing requirements in a very realistic manner and perhaps lowering our sights slightly then I suspect some of the major delays that happened in the past will go away and some of the benefits associated with faster, better, cheaper will accrue”.

Remaining with the theme of the benefits of incremental acquisition, another view expressed stated, “So whether the End State is reached within the same time I think will depend, as before, on circumstance but capability should be rolled out earlier”. This in turn should allow, “the End State to be subject to change as a result of technology growth and altering circumstance. The argument being that often through changed circumstance some equipment is out of date on fielding and possesses no stretch. This alternative would have the benefit of being both faster and better.

In addition to streamlining the procurement process and making a constructive organisation in which industry was placed, it was proposed that the tools available to all participants in the procurement process had improved significantly and here one technology was singled out for applause. The benefits of the Synthetic Environment (SE) were such that, “it should be possible to speed up the whole procurement process”. As Chairman of MoD's Synthetic Environment Applications Group (SEAG) for some 5 years it was gladdening to see this comment because in many respects IT Luddites existed in all areas of the procurement field. Even in the USA, their reliance on SE was more an aspiration rather than a reality. This was well illustrated by their desire to build numerous prototypes in the future scout vehicle programme rather than make a decision based on SE work.

A link was made indirectly with the autonomy of the IPTL who, “if they started delivering faster we won't have the money in the right years because we are not flexible enough in the way we manage our money”. This point was alluded to earlier and reinforces my belief that with a large EP to manage, which is now better wedded to the STP, faster isn't a sensible aspiration –it is better to be on time. A time that will now be better identified with the involvement and agreement of industry and the 2nd Customer.

Another view saw the replacement of the old school as a key factor in speeding up the tempo, “the new chap coming in, coming into a new set of rules and a new organisation will probably pick it up and run with it more quickly than would his predecessor”.

If we place on a back burner the issue of affordability there is no doubt in my mind that with new processes, organisations and wider involvement a speedier system will evolve.

Better

I am never sure whether the argument was a better quality product than before or a better process and apparently neither were the interviewees. The first observation saw, “if we are more professional organisation in terms of stating our requirement and then delivering against it, we must be able to get things better”. This was accompanied by a slightly cynical caveat that, “there was always room for improvement”. Another person observed that, “the better definition structure for the user requirements, better means of defining the user requirements” should lead to a better opportunity to achieve the goal due to improved risk reduction. The danger remains that Systems Engineering as a requirements generating tool is not wholeheartedly followed. There is already evidence that at Initial Gate all technical options are not presented or kept open on the basis of up front affordability.

“It's only a gut feeling but I think better is going to be the difficult one of the three to do”.

This sentiment was common and they were not convinced that, “we'll get at the outset better equipment”. Instead, there was a feeling that, “What we will get is better throughout the life of that equipment and if we believe in technology insertion then throughout the life of that equipment I believe strongly that the equipment overall will be better and more average across the life of equipment it will be better”.

Another spin on the incremental acquisition theme was that a product should be better suited to the needs of the user. Because they get to see elements of it earlier and they can then influence its, “development path” which in turn can reap the benefits of encompassing “newer technologies, newer techniques, price changes and the likes”, so the End State should be better.

A reasoned comparison was also given between the old and new systems, “So I think that the whole ethic is to try and get the best solutions quickly and as cheaply as you can rather than holding out for something that might not be obtainable and affordable”. Again Bowman and the Digitization of the Battlespace programmes would have benefited from such a pragmatic approach rather than rely on the big bang. Interestingly, Dr Dennis Mains, a Director General in the PE, had advocated incremental

acquisition again in 1989 but the Treasury was unable to sign up to the principle of funding the uncertainty associated with later increments.

Cheaper

There was a significant number who felt that there was scope for procuring many things more cheaply. Although DGE's staff were doubtful that, "we'll do it as cheaply as the proponents of the initiative said at the beginning", accepting that "if you don't set yourself a high target you won't get on, you get almost nowhere". It was also noted that within the EC area, "there is certainly evidence that people are thinking far more imaginatively about how they can get capability more cheaply".

There was a belief that, "if we actually lower our sights slightly and don't over specify we can achieve better equipment and at a price". Technological insertion also reduces the rate of purchasing new equipment and therefore it was assumed that, "the costs will actually average out as being lower". One of my hobbyhorses is the possibility of increased costs as the prime contractor can easily play the IPR issue, which stymies competition and the customer is left helpless. On current form the likelihood of competition in certain technical areas is also reducing with time and again this is not indicative of a more economic period.

There were those who believed that it would be cheaper because of faster processes. As for industry there are savings to be made against the period that bid teams for example have to be maintained. There were also advocates of delivering to price, which again was seen as a cheaper option. Rather like with the Boeing 777 programme they saw significant savings accruing. The danger being that aircraft ownership costs are well documented and build to cost is relatively well understood. I am not convinced that land platforms are similarly well documented.

There were the purists, who felt that MoD was seeking the wrong value and instead they should be seeking "value for money not cheapness". I have no issue with this sentiment and tend to agree but no doubt it would conflict with the brevity initially sought from the jargon. There were some who thought that three point costing associated with Investment Appraisals would lead to better value for money but I think their newness to post had failed to recognise that this had been introduced as standard practise some 15 years earlier. With a greater up front expenditure there was a better chance that the three point costing would have greater granularity and accuracy.

More than one observer felt that, "Cheaper appears to be the driving factor". I have to admit that in some respects this observation is shared but I would like to qualify that remark. If we accept that judgements are made on value for money and that is in part measured in terms of Through Life Costs

(TLC) then the cheapness in terms of TLC is influential but so too is time and specification. The argument becomes less robust if there is a continuing inclination to make judgements based on the more dependable but short term UPCs.

Balanced results and timescales

The timescale for the evolution to a faster, better and cheaper regime was not seen as overnight and on average it was seen as delivering "faster type results in the next 5 years". "Its going to take a little while longer than that to actually gather the evidence that we've done it cheaper - I would say within 10 years". And a similar timescale was advocated, "to see whether we've been able to do better". One of the causes contributing to delay in tangible and visible returns was given as the life cycle of our major programmes being so long. For example a huge proportion of our programme is given up to the, "Eurofighter and yet there is no way that SPI can have any significant impact upon that yet simply because so much was laid down and fixed so many years ago". And the new programmes that were launched since SPI may not actually spend huge sums of money early but they won't deliver a capability for many more years. "So this has to be a long-term programme and we have to keep facing it and keep funding it for years".

One proponent alerted me to the fact that, "only today in the newspaper we have Bowman being dropped having wasted £264M going nowhere". No doubt as a result of continuing "to specify enormous detail including every single nut and bolt on the system as it were." In a similar vein another stated, "we don't have a monopoly of good ideas and if this partnership (with industry) works then as I say I think we shall achieve these goals." The case was then re-enforced for stability. "These relationships of trust, of sharing are probably going to take 5 years to actually develop". And a similar timeframe was placed on people "to assimilate the nature of the change, which is actually taking place, to trust the new rules and to work within them".

There was one reminder, germane but sensitive at the time of the interview, that "at the end of this process there is always a politician who gives you the political base which may not be the cost, time, performance that you want".

One senior officer provided a thought provoking vision by stating, "But to achieve all three means that you are probably very, very bad at what you were doing before and I don't think we were that bad. We were always expecting high performance at low cost at very fast speed" and in many respects the operational imperative drove this requirement throughout the Cold War. "That was always our assumption". However, a reputation grew for failing constantly, which can not be entirely true given UK's arsenal possesses many world -leading systems and technology. I would suggest that the lesson

here is simply re-enforcing the adage of, “not throwing out the baby with the bath water”, even though the water needs cleansing.

Miscellaneous

Continuing with the theme of funding, there were those who picked up the theme of the relationship of operating costs, capability costs and their impact on SPI. This first key observation proposed that there was “a huge imbalance between the programme costs and the operating costs.” He went on to explain, “that we should be much more prepared to spend a bit more on the operating costs because I believe that the potential savings on the programme costs are so much greater for relatively small investments on operating costs”. The call for operating cost savings could also be interpreted as, “what we will be saying to our people is that we don't actually believe in all this stuff about your professionalism, about properly constituted project teams and skilled motivated people”. As was also pointed out there was “a significant complaint of many IPT leaders that they do not have the staff that they need”. Another paradox resulted when the DPA in one breath was attempting to capitalise on SPI and concurrently was conducting, “a brown envelope exercise”. One senior member who had spent 3 years working in a Principle Administrative Officer's organisation before it became the DLO, observed that they “did not have a rigid distinction between operating costs and programme costs. We could buy a few more people if that was going to save us significantly on programme costs and that we did”. In the DPA there is a very clear distinction, which from my experience was not enforced until co-location at Abbey Wood.

In addition to staff cuts using hire cars instead of trains also achieved savings. “Even though I (DEC) can do 4½ hours work on the train” which would suggest that a short-term approach had been adopted. It is difficult to comprehend why such economies are sought so early on in the implementation of a change culture process when most protagonists advocate prudent investment. Lord Blyth of Rowington, a former Head of Defence Sales and now Chairman of Boots stated that, “Big scale change in large organisations is definitely not for the faint hearted, or for those looking for quick fixes, or lacking deep pockets”. I would suggest that if the issue is creating so much concern then perhaps the time has come to reconsider the link between the Votes and equally importantly reassess the relevance of short termism in SPI implementation.

Objective 2 was to establish the key values being adopted or maintained as a result of SPI.

What aspects of SPI do you strongly agree with?

Key SPI Tenets

The theme where the greatest level of agreement was reached regarding the SPI was the underlying principles. "We had to get better in the procurement game" and we needed to improve in terms of "speed of delivery, costing and programme expenditure accuracy, and delivering the required capability possibly with incremental acquisition" are phrases that were used to encapsulate some of the higher level benefits of SPI. Moreover, it was seen by many as "absolutely necessary", if the, "Department and Taxpayers were to achieve better value for money."

Within this theme there was general agreement with SPI values including: "being innovative", the "empowerment of DEC's and IPT's", "close involvement with industry- better relationship with British industry", the "customer having greater control of financial affairs" and finally, "greater cohesion within the logistic organisation." Interestingly as an observation from the Customers they, "strongly agreed with the concept of an IPT leader". That was seen as the real change, whereas before there were too many people PE members, outside the immediate project team, involved in project activity. Also encouraging was the, "far more hands on management going on than there was before", although some proposed that this was no more than best practise. An individual with considerable experience perceived, that there was not "quite such a change in terms of the formation of the DEC's that I see from the IPT leaders". Now this might well have been the result of changing the in place senior Systems officers to different roles, responsibilities and occasionally reporting chains, which was perhaps much more transparent than the colossal change experienced by their DPA colleagues.

There is one element that could detract from this idealistic, evolving world and that is a too dogmatic following of guiding principles. An illustration was provided, whereby the Treasury had fundamentally not allowed the business case to continue rather they had insisted on competition, where there really was not an effective competitor, because the programme sat at over £100,000. There is also a tendency to waste a considerable amount of time chasing joint activity under the guise of co-operative programmes when often they too add to time, cost and the failure to deliver capability. The principles of competition and co-operation in programmes have considerable merit but not when followed blindly.

Teaming

The "emphasis on team working" was applauded, as was the ability of the system to bring "all disciplines to bear on the problem rather than trying to tackle it through stovepipes". There was also an undercurrent running through this agreement with SPI that a greater emphasis than hitherto was being placed upon professionalism across the broader procurement church. The early involvement of

industry was well supported by those who saw the benefits of capability being better delivered and cheaper due to this closer partnership. A partnership initially formed by a permanent bond between DPA and the Customers: the former having the onerous responsibility of formulating requirements once the user had identified both a capability and its output. This synergy had already been recorded thanks to, “a lot more openness and sometimes more friendly relations” which in turn it was hypothesised would lead to greater flexibility in the deliverance of capability. In addition it was seen as removing the “confrontational approach” of yesteryear.

Slightly detracting from this utopian view of the world was the concern that industry was not fully engaged albeit considerable steps have been taken to bring them on board.

In addition, it was considered that the success of SPI would also be influenced by, “how deeply involved the politicians want to be in managing the process and the activity”. Moreover, the “political gains wanted of the process could well be completely separate from the military requirements or military gains, which are two completely different issues” and again these are re-occurring themes that should not be ignored. Especially by the Government, which are both the originator and sponsor of the Initiative.

Capability management

One of the most popular topics was the “focus on capability rather than equipment replacement” and that should not have been unexpected given the nature of the organisation. “And giving the capability management the money, here's your money get on and do the business” was another popular theme.

The coming together of the former financial and military operational requirement staffs to conduct the task was also well received. However, the legacy systems were diluting the purity of the process and they shared concern that this could be a long term issue: an issue because both old and new practises continued to be run in parallel or where old programmes were awkwardly fitted into the new process. The, “clearer definition of roles and responsibilities” was helpful to some and to others the full definition had not been reached, perhaps in part caused also by the legacy systems

One of the benefits of capability management was the Capability Area Plan, which in theory acts as a, “useful annual focus” on the way forward for the DEC's, CMs and DCDS (EC) and other interested but external parties. Without a BoI tool that can be used to test the CAPs and then take a wider view of future capability I remain sceptical of the value of the CAP. Other than as a tool for marshalling the DEC's' ideas, as there remains an imbalance in gaps to funding available, which can only be resolved effectively by wide consultation and ultimately judgement and the latter still has limitations.

It was also agreed “that you should employ the right calibre of people” in order to man an effective capability management system and “that in itself probably means a lot of training which doesn't happen over night”. Neither is a “lot more understanding of how commercial business works”, which was seen as a shortcoming, not gleaned overnight. It was suggested that “it has to be developed through, “ training from day one until you are in a senior management position to actually apply your understanding effectively”. This argument could equally apply to all components of the procurement task force rather than be restricted to the EC area.

What aspects of SPI, if any, would you wish to see changed because you disagree with them?

Stability and associated concerns

Over half of the interviewees did not think it appropriate to make judgements at such an early stage in its implementation/ development, albeit many did not, “agree wholeheartedly with everything in SPI”. Instead they thought it better to have stability in the processes and people to allow the new system to bed in. There was so much novelty and change involved that stability was an imperative if only to allow the system envisaged in the SPI a fair wind. There was a view that “we were still feeling our way in executing that theory” and that benefit would be had from, “ practical experience in CM area to establish better operating procedures and processes”. Both remarks are pertinent as so many processes were still in their infancy, in skeleton form or not implemented when SPI was first put into practise. For example, I remain unconvinced that Systems Engineering and the URD/SRD had been fully thought through and neither were the Gate requirements.

It was also pointed out that, “ People do take time to actually adapt. People adapt at different rates”. One philosophical response proposed that, “ try and preserve the stability of what we've got and to work to ensure that future changes are seen as being much more evolutionary in nature rather than revolutionary”.

SPI could also be viewed as new procurement policy and like all policy at some stage it should be measured to ensure projected benefits are achieved. In such a monolithic system as defence procurement, “ it must be allowed to run for a period to actually judge whether it is going to accrue benefits”. After all Rome was not built in a day!

DEC awareness

There were those who felt it would have been helpful to have “a clearer definition of DEC responsibility”, a “better appreciation of how to make it (DEC) happen” and, “how the DEC is

empowered". Believing that this clearer insight would have prevented many misunderstandings and teething troubles. Another area where better clarity would be effective was "a clearer structure, clearer organisation". Many felt that, "the organisation that we have at the moment has got a lot of baggage from the old system's area" and yet others thought that the increased Central power embodied in ECC would alienate the single services.

It is difficult to reach a clear view without allowing the process to run its course and see whether a diminution in single service power becomes a reality: an issue, which has been on the political agenda, it is believed, for some time. It is clear that EC officers who will return to duty will maintain an allegiance to their parent service: possibly at the expense of any deep-rooted allegiance to the EC. Military Affiliative scores in the survey would endorse this view. After all their careers are ultimately controlled by their parent service. One major step in the re-organisation was the disbanding of the single service staff involved in equipment issues and their brigading under the ECC banner. This in turn would imply that ECC officers would have to spend more time interfacing with the Single services in an effort to gain support for their CAPs. In this scenario, divided loyalties between the capability orientated central staff and the platform orientated single staff could well become an even greater issue than it was before. The call for a more diluted single service mix of DEC's under CMs would do little to remove this potentially undermining single service influence; indeed it might even encourage it further.

There was also a view, "that platforms specific issues really aren't our business and we are pure capability". Which in turn had resulted in, "the bulk of the organisation now seems to be supposedly dealing purely with sort of top level issues, CAPs et al, and a relatively small number providing the desperately needed advice on requirements down at Abbey Wood". To reverse this situation, they advocated a greater investment in RMs at the expense of those in MOD and also that "by and large the RMs lack experience because most of them are newly promoted SO2s" and there were "very, very few SO1 RMs". The problem was probably aggravated further by a number of RM posts being gapped initially.

On a related topic there were those that felt that the RMs "need to be part of the DEC's organisation in terms of a sense of belonging. Initially, many RMs came out of Main Building and they were already "prepared for the task and understood the function of the customer. "As they get replaced we are going to lose that understanding and experience". Particularly if they are posted directly into IPTs and are then expected to represent the customer view. This is an important issue, which is not removed by the current vogue to hold short orientation courses. The danger is that military manpower in the DPA will be removed and RMs will then provide a more general military function in the IPTs. A greater

number of SOIs would add a certain gravitas to the role and would remove much of the need for orientation.

Returning back to empowerment it was believed, "that we went overboard in telling people how empowered they were" and in that process, "created some false expectations, or at least we weren't clever enough at explaining what empowerment meant". However, as discussed earlier there are real life factors like accountability, the Vote system and politics that "always limit our ability to do exactly what we want". Notwithstanding these realities, those empowered felt that they could "stop worrying about those factors". Instead, they "charged ahead without thinking through the issues that they would have to bring about". Once again the issue is not that they disagreed with empowerment but rather "the way in which we've reached it was simplistic and dangerously simplistic". It was dangerous because it "let us make some mistakes but also because it potentially allowed people to lose enthusiasm". The maintenance of enthusiasm in organisational culture change is critical to success³⁸⁷.

ARP/ CRP Links

The links between capability planning and research were deemed to be inadequate. In particular, although the Applied Research Programme (ARP) was under the sponsorship of ECC as it was previously with Systems, the link with the Corporate Research Programme (CRP) was tenuous. The argument for greater cohesion between the ECC sponsors and ARP, and the CRP was that with capability having greater longevity ECC sponsors should also be looking well forward for potential technology to insert incrementally. It would also cater for the rapid strides being made in certain areas of technology. I have no difficulty with this theme, as there has always been a need to achieve a tidier transition through understanding between work conducted in the CRP, which is subsequently transited into the ARP. The DEC's involvement and awareness of activity in both camps should facilitate this vision.

Dogma

There appears to be a certain dogma associated with the two Gates at which approval must be sought. The concern is mainly focused on PFI projects whose very nature would dictate more regular consideration and approval. The salient point is not so much the mismatch but rather a system that was, "supposed to get away from dogma and lack of flexibility" seems already to have transgressed this ideal.

Objective 3 was to determine the attitudes to SPI.

What areas of SPI do you like?

General

As might be expected the, “likes” fell into four themes that reached from the positive benefits of new found relationships and responsibilities through to the process which has the potential to resolve previous procurement policy weaknesses. On the negative side there were a significant number who did not like any aspect of SPI but agreed with much of the philosophy. I won’t dwell on these as most comments were a reflection on the embryonic stage of SPI and without greater experience they felt unable to categorise anything as likeable. Finally, there were a number of interviewees that had specific likes, which were often related to their own area of interest, which I have bracketed under the heading motley.

New relationships

There was a general acceptance that working closely with industry could have a significant impact on the success or otherwise of a programme. However, to some this was no more than an acceptance of best past practise, “but certainly the project I’ve ever dealt with we’ve been doing it anyway”. This type of response should not detract from the potential of SPI because whether an issue is novel or not is hardly critical to outcome whereas adopting best-proven practise is “smart” in its own right. Others expanded further on the teaming arrangements and applauded, “all the major stakeholders forming into teams”. Again the concept and benefits of teamwork has been high on the agenda in both government and commercial practise for many years so clearly better teaming arrangements can only enhance the system rather than detract from it.

I agree with the concept that industry had been “forced to be receptive and to think differently and that probably is a good idea”. Whether industry has been forced is a matter of semantics but they certainly could not ignore the issue of having to play a positive part in the procurement process. The introduction of industrial participants in IPTs has not been phenomenal and perhaps this is understandable whilst the pathfinders are paving the way. However, it has to be recognised that the industrial performance was often the cause of cost over runs, delays and poor equipment and therefore it is essential to the new process and in industry’s best interest to participate in SPI.

However, at least one respondent was able to give an illustration of effective industrial participation as a result of industrial teams visiting 2nd Customers. He saw it as, “huge opportunity” and having gone

³⁸⁷ Living Culture, Jan Thornbury

through the assessment now it became “blatantly obvious that industry genuinely understands what we want”. He went on to compare the old and new practise by suggesting that, “we will end up with a better solution than if I had just tried to sit down at the end of last year and write a requirement in glorious isolation myself”.

There were SPI protagonists who referred to the, “well defined processes such as main gates” and capturing requirements and so on. It's well specified and in principle provides a fairly unambiguous means of capturing user needs and so on. However, most of these comments came from outside the DEC bailiwick where the science and knowledge of procurement becomes more of an art form.

The new ECC area appeared, “to have integrated the DGE area quite effectively and in a short period”. One interviewee from DGE's area liked “the fact that we have a far closer relationship within the ECC”. Another stated that, “I think it's generally a very productive relationship. And the reason for that is we must understand the common objective is to deliver the equipment capability”

Others welcomed, “the recognition that there is more than one stakeholder”. This has benefits and penalties as on the one hand the involvement of all stakeholders in the decision making process ensures that decisions should not fall into the unexpected drawer. The downside arises through the compromise that so often accompanies decisions through consensus. This has ever been the case and effective Operational Requirements officers regularly involved front line customers in their decision making.

The integration of RM in IPTs has provided greater opportunity for desk officers “to actually be, if not making the decisions, very much closer to the decision-making process” than hitherto. The task of RMs does not differ drastically from the OR desk officer it is the environment and relative distance from the EC centre of gravity that differs. Desk officers by their very nature were always the experts in their narrow project field and this was recognised by their lead at most senior officer briefings. Their output will be similar in terms of functionality: namely providing the documents that ultimately drive the concept and development stages.

SPI benefits

A well-liked theme is encapsulated in “the organisation being more efficient and focused as compared to the lumbering organisation of yesteryear” but this was often caveated: one example being the need “to continually train and educate people”. Presumably showing a concern that without stimulus the system might revert to a less efficient state.

Flexibility was seen as one of the major benefits of the system. “What turns me on is the ability that I and the IPT team leader can sit down and say this is wrong I want to stop this”. Or “we’re doing work as a team and we solve problems on projects straight away”. This new found flexibility can also be applied to the legacy projects because as the overall procurement process is faster a number of projects could be started later and still meet customer needs. Thus providing capital to fill capability gaps. One senior DEC found it exhilarating because he could, “say these are the priorities and so I can veer and haul within my programme because I am reasonably well empowered to get on and do that”. I have every confidence that IPTLs and DEC’s will enjoy their new found responsibility and flexibility, however I would be more conservative regarding the speed of the process and would prefer to measure output before making savings based solely on a rather large hypothetical assumption. These two reflections also refer in part to empowerment, which has been increased significantly and thereby presented new challenges. This in turn has increased the level of job enjoyment and satisfaction.

What is fast becoming evident “is the relative flexibility in the process of the business case”. Actually, the issue is wider than the business case and instead of working to an official templates it would appear that the way of taking a capability forward is being considered on merit and the staffing process tailored accordingly. This idea is well illustrated in, “I like the fact that you can select the most appropriate work to be done to take a project forward relatively unencumbered by formal requirements beyond the clearly necessary financial and requirement justification”. As discussed earlier this does not meet with total agreement and indeed some remain more comfortable working within clear guidelines but that may be attributable to habit, which was formed in an era when innovative thought was not encouraged. However, only if people are prepared to adopt novel staffing and procurement approaches will the bonus of time and cost savings be realised. The danger of operating in un-chartered waters is that the sharks are not easily recognised and can take down a project or easily slow it down if their own criteria are not satisfied.

Another benefit of the system was referred to as, “I’ve got rid of an awful lot of detail”, like the sponsorship role. The equipment sponsorship role lasted from cradle to grave and entailed authorising any improvement to an equipment, maintaining an awareness of numbers and location, and agreeing to both disposal and replacement programmes. Issues that were clearly the concerns of both the end user and maintainers and not the MOD staff. However, it was convenient to MOD to have an in-house spoke person who could act as a point of reference and answer all questions pertaining to equipment. Abrogation of that responsibility once equipment is accepted in to service by the DEC staff will free up EC time and effectively align in-service responsibility with both budget and ownership; namely in the hands of the 2nd customer.

Perhaps the aspect of SPI most liked was associated with, “as a taxpayer at the end of the day I might see costs coming down and waste being reduced”. “I’ve been appalled at some of the wasteful things I’ve seen”. What was fascinating regarding this waste was the view that, “I think a lot of the waste, its not anyone individual's fault and I think perhaps that's the problem, there is no one individual responsible”. This view would suggest that a combination of the DEC setting the agenda and the IPTL conducting the procurement are not only empowered but equally more accountable than hitherto. This is a benevolent concept as even with a faster process most capability gestation periods will be longer than an individual’s tour length.

Motley

One of the most positive attitudes towards SPI was, “the enthusiasm, I now see in lots of places”. Another saw it as a font from which, “Most of the other things that I would regard as positive flow from that enthusiasm”. However, this enthusiasm was also seen as “delicate” but if maintained and supported by a truly professional approach then it should succeed. I interpret this statement, as the MOD’s need to ensure that resources are in place for as long as it may take to change the culture so that it can support the vision of SPI, the alternative being that SPI could wilt.

There were two other cultural observations, which were liked by the interviewees. One spoke of the, “openness that now permeates the area.” which is essential if culture and practises are to change. The other reflected on another change in behavioural norms when stating that, “I like to see some of the well led IPTs working well with a clear steer from the customer”. It is rewarding to hear such positive comments so early on in a change culture process particularly when quite radical change has clearly occurred if the customer is allowed to provide customer direction.

What areas of SPI if any do you dislike?

General

The themes falling out of this analysis fall into three categories of which only two are well defined. There are those who have no dislikes regarding SPI or would rather they had longer practising before commenting either way. As with the previous question I will refrain from commenting further on these people. There are those who strongly dislike reductions in both operating costs and research. Finally there is a miscellany of topics where perhaps only a handful of people have a similar aversion.

Early Savings

There was almost a consistent line brought out by over half of the interviewees concerning cuts to operating costs. The common line taken was that “we at least ought to give the processes a chance to bed down thoroughly and then you can actually understand whether we've made the right adjustment and improved efficiency and then decide if we have identified real efficiencies and then looked at resource issues”. The major concern was that MOD had apparently mixed the, “two up in a very uncontrolled fashion which is a recipe for disaster”. It was believed that any reduction in operating costs should be identified in a “controlled, scientific way and understand what we are doing and how well we are doing before we start making more savings”. Rather cynically some suggested that this was the, “way in which MOD or government works”, by “providing a smoke screen of change and then using that as a mechanism to reduce manpower rather than achieve efficiency”. I have some sympathy with this view as all initiatives that I have experienced have suffered or enjoyed economies in one guise or another. It is strange that the adage spend to save appears rarely to impact on MOD activity.

Some people rounded on the political dimension of this syndrome quoting the cause of savings against either programme or operating costs as the political need to demonstrate quick wins to endorse new policy. The point made by many being that demonstrable savings could only confidently be made on operating costs as the timescale for programmes savings was often long term and therefore would not make a short term impact. For completeness it should be recognised that some of the legacy programmes were re-visited and thanks to innovative thought, mainly by the IPTs but with the approval of CMs, savings were identified though still some way short of the £2Bn trumpeted.

Another body felt that inadequate extra resource was placed in SPI from the outset and by DPA standards the Customer fared poorly. This was contrary to their understanding of non-government change culture programmes, and where a slight drop of performance is accepted during implementation.

To some implementing SPI and introducing a new organisation using mainly in-house resources, created a significant drain on their time which in turn led to working extra hours merely to mark time on their core business. Others found it demeaning that with a university education and being quite senior in government servant terms they had spent a considerable period engaged on basic administrative chores to support the change process activity. Others felt similarly hard done by and put the cause down to the reduction in clerks resulting from savings in operating costs. It would appear that there is an affliction, I think associated with the paperless world of IT, which reduces clerks and secretaries to the status of a luxury rather than a necessity. Unfortunately, as with E Commerce this

electronic utopia has never arrived and paper continues to dominate the decision- makers world and not E-mail. Whether this trend will continue or as some postulate the IT bubble has burst, I know not but it still takes an inordinate time booking flights and hiring cars: valuable time of competent and well educated middle managers who are in short supply nation- wide. The very people who we cannot afford to lose and therefore we should be invigorating them through the culture change process and the practicality of SPI and thereby sustaining their loyalty to the defence cause.

Continued savings against the Research budgets was disliked in part because it appeared to contradict the SPI vision of relatively high (15%) investment early in the project. It also runs contrary to bringing, "more and more high technology pieces of equipment into service to give us the edge" and attempting to meet time, cost and specification goals. Omitting risk reduction measures places all these goals at risk. Reducing investment in research and technology also acts as a catalyst for scientists to migrate to more lucrative areas like industry, which again could not have been a target for the change process or SPI.

Another related topic was introduced when it was pointed out that " Most commercial firms, as I understand it put aside a certain percentage of their budget to cover that(R&D costs)". In commercial terms the MOD has out performed many companies with its level of investment in R&D, when compared to programme costs but the government investment should also be viewed as a means of transferring technology into the wider UK Plc. The continuing investment in aircraft engine Technical Demonstrator Programmes had little to do with a specific project but a great deal to do with maintaining Rolls Royce as a world leader in aircraft engine technology. Perhaps that too was the reason for UK insisting on Rolls Royce engines being installed in Apache helicopters, which significantly raised the cost of the UK programme.

One individual when referring to savings stated, "Hate to see the return of a savings culture at any cost without account of the impact on capability". His main area of concern was with capability savings being taken in the formulation of the Equipment Plan but he shared a dislike of operating cost cuts. None of the savings were reached with any scientific judgement so perhaps they were adopted in the belief that smaller means more efficient. Each year of my service in MOD we were faced with operating cost cuts and absolutely no logic was given other than they were efficiency measures. I wonder how many people are left when the ideal efficiency is reached?

"I physically dislike the way that we are being scrutinised." This is a statement from a very senior person who felt strongly that the scrutiny process was not working in support of SPI. He was not dismissive of the need for scrutiny but rather with people with, in his view, "little responsibility for delivering anything at all, no output at all, who will slow down" the process. And alas he got "physically annoyed" that as a DEC he had to answer the questions. This case illustrates a point well; namely, that even experienced people get frustrated when all teams are not apparently pulling in the same direction. But then it should come as no surprise because the Chief Scientific Advisor's staff was not subjected to a change process and therefore in the absence of new guidelines have continued with precedent. Clearly there is a need to bring them into line with the SPI philosophy otherwise there is a likelihood that the initiative could be held back. My concern was further strengthened by the person who described the scrutiny process as "I find that a battleground" that "scares people off". Steps should be taken to settle the difference between the scientific scrutineers and the DECs and IPTLs who are trying to deliver capability by employing innovation.

Expectations

I believe it was Keats who inferred that anticipation is greater than realisation. A senior civil servant shared this sentiment when stating that his only dislike was "The danger in having too high a set of expectations". That SPI at a stroke was going to solve a whole range of problem like, "Our inability to afford what we want in the timescales and so on". Clearly SPI was not a catchall to rectify all past wrongs but was designed to improve the procurement process significantly if given a fair wind. The anticipated reduction in costs of capability will go some way to make aspirations more affordable but DECs and CMs in concert with the 2nd Customer will always have capability lists that contain aspirations that may never be affordable. That is the very nature of contingency planning.

IT

An interesting comparison was made between SPI and MOD's need for an effective IT Internet. There are those who would sympathise with the respondent who suggested that "I believe that there is a perception that the IT wouldn't take too long to put into place" but it has and moreover it remains far from perfect. It could be argued that the designers had insufficient knowledge to introduce a system with such complexity. It could also be postulated that the costs were inaccurate both for the design and implementation. I too feel that at the macro level not enough time was given to identifying all aspects of SPI implementation. Otherwise how can you account for launching an initiative almost at a gallop when one of the key players had not fully scoped the Customer's role, responsibility, organisation or

processes and the 2nd Customer had not been identified, notwithstanding DLO re-organisation and the future of DERA all being under consideration?

Industry

After practical experience one of the interviewees disliked being in “bed with industry”. An issue that apparently gets more complicated with larger programmes, “that have fairly complex industrial partnering arrangements”. Even Chinese walls failed to assuage his concerns. One of the specific issues raised was employing a company to provide rules or guidance on a particular programme and then competing that programme subsequently. If allowed to compete the insight provided gives a phenomenal advantage. An issue raised earlier when a prime contractor is also the design authority and incremental acquisition is competed; hardly the ideal level playing field.

Objective 4 was to determine the new behaviours adopted as a result of SPI

How has SPI changed your working practice?

General

As might be imagined the responses were parochial and were influenced by the function and organisation of the ECC area. There were four general themes falling out of the analysis. A culture that advocates co-operation has been identified, but there remains an element of doubt as to whether this resulted from SPI. Then there is a DEC culture with its empowerment that might eventually increase the number of sub cultures as a result of their autonomy. Then there are reflections on the change of emphasis from requirement to capability management. There are a pot pourri of themes with less support than those previously mentioned and there are those who felt unable to comment due to their relative newness in post.

Co-operation

There was a considerable body of opinion that felt that many of the SPI concepts including, “The ideas of consistency, of concurrency, the idea of everyone having a shared view of the world, being able to contribute to it” were tenets that may have been “taken and then placed under a different heading.” They went on to suggest “that the cultural change and the acceptance of those new ideas was actually fairly easy because they were things we were already trying to bring about”, as they were recognised

as best practise. Openness between the customers and suppliers was a tenet that most respondents identified as having significant benefit.

With a less hierarchical structure there appears to be an improvement in the communications between the DEC's and their staff than there was previously between the one star Directors Operational Requirements and their staff. In addition the DEC staff felt they too, "work more closely with the DPA than before".

Also within the ECC area it was recognised that prior to DGE's integration they were, "Organisationally separate and there were important elements of attitude that told us that we were separate". The new integrated body is described as "enlightened now in that it's a subtle change but a significant change". Their objective, "is to make things happen" and "provide sound advice" whereas in the past there was a more disruptive attitude, "that stopping them (OR and PE) wasn't a bad idea on occasions". They consider that there is a new era where, "we have to continue to be critical but it's critically helpful". This has resulted in new-found warmth of relationships, which has resulted in, "things happening more effectively as a result". It was believed that the new relationship with the DPA was very much IPT dependent but again they were, "working more effectively with them".

One commentator, who described himself as, "always tended to be quite an inclusive worker" was convinced of the benefits of CWGs. He spoke of involving the stakeholders in, "agreement to the way ahead which doesn't mean seeking the most common denominator but making sure that the way forward has been brought into focus and planned properly". This theme was re-enforced by another who felt, "that the projects that come through CWGs are by far the easiest to progress in terms of stakeholders buying in and making progress, rather than the old approach, which often involved resolving "conflicts of interest at the eleventh hour". This theme was elevated top another plain by an officer who had recently arrived from the front line and saw "coming to Main Building was a cultural shift anyway". That said, he enjoyed "the collaboration with the other agencies, the opportunity to go and visit, consult with my customers, my users and so I don't have a problem with doing the job". Enjoyment figured highly in many reflections, which in turn is a reflection on an effective culture. How much the enjoyment is achieved through co-operation and how much through the challenges faced is difficult to determine. Over 6 years I interviewed all members of my staff leaving the Directorate and a repeated theme was the enjoyment they received from the challenging nature of the job rather than espousing the delights of co-operation.

With cut backs and the move of RMs to Bristol there appears to be an even greater concern over working hours, albeit this was not novel to SPI. It was viewed as slightly ironic that some two weeks before the interview another letter from 2nd PUS and VCDS had been received disapproving of this

culture. Followed in quick succession by demands for manpower savings of between, “ 5 and 15% within the equipment capability area, which I think, came to about 58 people”. He went on to note that sadly nobody had directed what capability/ activity should be given up to improve efficiency. The demand on time had been further exasperated by the requirement to send E-mails to all those involved in wider co-operation. Be they customers, suppliers or industry.

For those novices to the MOD and ECC area one of the only comments made was their greater “Jointery”, which was achieved by forcing them “down the joint route”. Notwithstanding this vision of cultural shift, there were others who felt that the spectre of single service cultures still detracted from the capability concept and their workings and moreover, that a lot more cross decking, which I presume is both a pun, and involves talking with other DEC's. Presumed, because I did not wish to show my ignorance of naval terminology in a purple environment!

DEC's

Some placed considerable store in the DEC's believing that the majority could “think, in ways outside old stovepipes” and achieve things that the old organisation wouldn't have done. Which resulted in “changing the detail of our working lives”. To others the delegation of authority to DEC's had impacted significantly on creating policy, reaching BoI decisions, and co-ordinating such issues as IIP and research. This in turn had led to duplication and less cohesion. Some actually consider that the fifteen DEC stovepipes have magnified the problem of creating a coherent capability and that the potential for “divergence” has multiplied since the demise of the more powerful four ACDS's of the old regime.

On a more positive note the DEC's believed there was new and better working practice if for no other reason than they are dealing with “different issues”. Historically, “I staffed large numbers of papers about why we shouldn't move money and take money out of the area. Now I'm in a position of directing my staff to look at sensible ways in which we can better deal with the money that we have got”. In a similar vein, their business involved, “dealing and being asked by IPT team leaders for guidance, advice, direction. Whereas previously I found out that they were being given direction, guidance, advice by two and one-stars in the PE”. Clearly, there is a different type of question set being dealt with, resulting from a different set of issues, which in turn are a product of being focussed on capability rather than equipment alone. Alas those still managing legacy systems remain in a time warp albeit some have reverse engineer their projects into new practise even though most key decisions are sealed. At the desk level the shift in emphasis is the move to user requirements rather than a solution mentality. Equipment issues having been moved in to the bailiwicks of the IPT's.

However, there was a grey area, which challenged a few who thought that they “focus too much on capability management when a little bit of my job does involve platform requirements management. Which to them, was a lesser sin than that perpetrated by other colleagues who “are definitely still requirements managing rather than focusing on capability”. The delineation of responsibility was seen as a very fine line, which as yet had not been identified and had been further complicated by a shortage of RMs.

This was not viewed as a long –term issue. Rather one that is typical of any transitional period in a change process during which, “there is always going to be a period of touch and feel and learning from experience and the important thing is perhaps to make sure that happens”.

Another issue related to the individual behaviour involved in the procurement process.

“Some are uncertain, some are concerned and others are quite happy to bite the bullet and go for it”. There were those who were, “ prepared to try and develop the new procedures as opposed to standing on ceremony and demanding that procedures be provided for them.” There were those who, “demand that the targets that are set for them are explained in great detail and how they should achieve them is laid out with great clarity.” However, time has not allowed a single culture to develop within the customer area and so those people who are scoring early goals are more “prepared to accept that it's not right yet, that there are rough edges” and are working around them.

Motley

For some their working practice had hardly changed due to their involvement with legacy programmes. In this scenario however, they also had to generate Capability Area Plans, lose manpower and transfer some to Abbey Wood, which resulted in an increased workload. Some would suggest that this is associated with the drive for efficiency others that it has impacted on morale. But the DEC staff is not alone in their concern over increased workload as the scientists also felt under strain. So much so that one confessed “I focus my effort on the high level tasks and lots of the things that I previously got involved in I'm farming out to DERA”. I have no difficulty with prioritisation as long as the “out –sourced” work is being checked for logic as well as content.

Finally to provide a fuller picture there was one respondent, with views possibly shared by others, whose job satisfaction has declined since SPI. Instead of enjoying the expertise and communication involved in furthering equipment programmes, as was his previous remit or being engaged in a similarly high profile task of compiling CAPs, he is now engaged in training liaison, IIP co-ordination and other CM policy issues. There will also be people who would prefer a RM appointment, involving equipment definition, to a MOD desk job defining capability. As an aside, both functions are critical and the issue is to ensure that well qualified people are equally distributed between both functions. A

significant number of respondents were concerned that a slightly lower grade of person was populating the RM posts possibly resulting from the need to fill gaps rapidly.

How has your behaviour changed to either the DPA or industry?

General

Mainly positive themes evolved around both relationships and mostly fell into the change for the better, no change but working, and improved with some reservations.

Industrial relationship changed for the better

It was observed that there was a “swing back towards a greater closeness with industry. A swing back from the position of significant confrontation that we were put in during the mid to late 80s. This was not viewed as a step into a cosy relationship but rather was seen as an all win scenario, achieved “from closer more team like approach to things”. This was seen as a difficult approach to manage “because it requires real judgement to make that ‘we’re all of one team’ approach work and not become the sloppy, cosy relationship it once was”. This somewhat stark view has merit but effective management can be put in place to ensure that a formal but more open relationship can develop.

Others opined that there was “more of a partnership type approach” which could be most beneficial when addressing incremental acquisition. A long-term relationship would be able to produce the flexibility necessary to deliver product improvements albeit when the capability is initially deployed the stretch in capability is not fully conceptualised. The antithesis to this concept is a lack of flexibility and an even greater search for profit.

Industrial relationship no change

Having had the benefit of working in the PE one respondent believed that he had always had, “close relations with industry as was exemplified during the actual breakthrough process”. There was a feeling that this is a sensible way forward and easy to expedite, “having had a contract in place”. Reservations and a degree of difficulty were associated with involving industry prior to contract let as their, “prime objective was to make profit” and therefore they were unlikely to be totally open and frank particularly in a competitive environment. Prior to Initial Gate they are supposed to assist in scoping the cost as they are “the only people that can effectively give you a feel for what capability would cost in the market place”. However, commercial costs are probably the most guarded aspect of any bid process. The forum for these debates within the DEC area is the CWG meeting which

industry now attends. However, as industry are unlikely to share their price structure, so the MOD has periods in camera where they too deal with sensitive issues like savings measures and EP funding. This could be viewed as a sound example of reciprocity.

There was also a feeling that “we were already very, very closely involved with industry and even in advance of SPI we were talking in detail on how we could bring in a good deal”. As stated earlier the concept of working in close conjunction with industry was in action before SPI and involved activity such as Joint Industrial Groups where their Chairman sat on the Equipment Steering Groups and Joint Research Groups. Industry had also been sent requirements documents for commentary allowing them the freedom to influence their shape and direction. These two activities are not that far removed from some of the joint work envisaged in CWGs and IPTs and in formulating SRDs and URDs. “So other than some formalising of the relationship” presumably through such mechanisms as customer supplier agreements there was a strong view that SPI had not made any dramatic change.

Another view, formulated over many years, highlighted that there had always been advocates of “working with industry and not against them” on the premise that MOD are not the sole “source of infinite wisdom”. This concept of creating improved gearing was shared.

A senior DEC stated, “With industry I have found a need to continue education.” By that he was referring to the potential constant flow of marketers that used to frequent OR offices, whose visits involved showing their latest wares. He now wanted to meet and talk, “about where I think we should be in a few years time in terms of capability. To achieve this another respondent suggested that “really we should be talking to our strategy equivalent if you like in industry or their broader thinkers” found at Director level. The frustration of listening to language literally taken off their sales pamphlets could easily drive a wedge between the DEC and industry unless industry take up the challenge even if it is on a one to one basis.

Industrial relationship improved with some reservations

From a scientific perspective the special relationship that exists with DERA, whereby they are the major benefactors from the Research budget, was likely to weaken as a result of DERA restructuring. The past relationship with DERA irritated industry because they felt deprived of income through almost a monopoly situation and also that they were not privileged to most research output. The DERA split should create a more level playing field on which industry might fare better and industrial relationships improve further. Moreover, there is a more open attitude to them sharing research than perhaps existed earlier and “there's been a move to get industry more involved in work such as the ‘Towers of Excellence’ work that's going on to try and develop technology in conjunction with

industry. This is a sound piece of reciprocity especially if the quid pro quo is greater involvement and more useful data from industry to shape future capability.

There was also a view that the DEC staff should stand back from what industry could offer in terms of equipment (that was a prime DPA function) and take a longer-term view on what capabilities are wanted. The interviewee who started by airing his concerns that ECC should not "be monitoring DPA with a long screwdriver." reinforced this view and proposed that once given their programme envelope DPA should be able to deal directly with industry. "I think that hasn't happened fully so in theory we (ECC) should be separating from industry". I am not convinced that this position is tenable. There are two reasons for working with industry. One is to deliver equipment and the other is to scope capability. The former rests in the domain of IPTs the latter in the domain of DEC's and so both will wish to maintain an industrial partnership. Where the difference is likely to lie is in the discipline of the industrialists.

In the past the ability of industry to deliver was not a given and indeed often they were not penalised because MOD's contractual position was often weak. Yet with SPI there are those who feel that "hopefully they will also recognise that we're not going to be so easy on them as we have been if they fail to deliver." Perhaps this bullish approach can be adopted with the more professional stance that the DPA is adopting. My only reservation is that the quality and quantity of contracts staff has not increased indeed the opposite probably pertains and expertise is required to put in place more effective contracts. The other method available is to achieve some form of retribution by including past performance in the business case going before the approving authorities, although I am not convinced of the viability of this approach particularly when applied for example to a large supplier like BA systems.

In the area of avionics there was little evidence "that other than the winners of contracts industry are going to get actively involved in such activity as concept work at the moment." The benefits of industrial involvement were also questioned when, "We start looking into assessment and beyond and company X is clearly not going to profit by it you've got to ask what the driver is for them to provide somebody of a reasonable quality to sit on a CWG". I am not aware of the current take up rate by industry across the MOD but certainly the pressure on industry to deliver dividends does place a question mark over the affordability of their greater involvement in MOD business. However, these are still early days and I would expect that it would take time both for the EC/ industry system to evolve within the MOD and for industry to get more involved. In some respect any progress is better than the past when another interviewee thought, "we were very secretive with industry much to our detriment. I never understood why when we put up an invitation to tender we didn't provide indicative costs". Some people I know did show understanding without compromising competition.

One point raised concerned our largest importer of defence technology America. "Well the American's are very cagey about engaging us because they think, we just want them as stalking horses because eventually we are going to let the contract to UK industry." I remember vividly the frosty relationship that lasted for plus of two years with the US when they failed after considerable effort to secure the tank replacement programme and they even went so far as to put into abeyance certain MOUs during this period. This is an important perception that should be addressed if we are to maintain broad competition. In some respects US industry "is smart" already and British industry has much to learn from also partnering with them.

DPA relationship changed for the better

Atypical of the positive responses received is the simplistic but important vision, "that people in my area have good relationships with people down at Abbey Wood". A situation that has improved now, "that there are RMs in location who are liasing and possess and have achieved good communications". This partial integration of staff plus closer co-operation has resulted in a "less adversarial culture". That vision was caveated by "That's not to say there isn't still some healthy dynamic tension there".

There was a comment that, "the relative size of the budgets involved and the fact that DCDS (EC) is now directly involved in the equipment programme is starting to bring things closer together. I would agree with this philosophy. It would be difficult in the current SPI climate for any DPA member to challenge or usurp the new power and authority and status enjoyed by the ECC.

One viewed the change in behaviour as being encapsulated in two but "not necessarily comfortable bed fellows". The first, "a greater preparedness to work with the DPA so that we act a bit more as a team". The second "a very healthy preparedness to be a rather more demanding customer", and as such posses a greater propensity to come to agreements and stick to them. It was viewed as both a "more professional and healthier relationship" that was still in its infancy. Sticking with the professional theme, to some this was achieved through a more business-like approach which had been partially adopted by the DERA earlier. Another felt that "So I think the DPA is moving more to an industry type business model, which should deliver dividends". In both cases opportunities arise to provide a more efficient service and integrate their activity more effectively with industry.

One respondent felt that on his arrival "they (PE) seemed reluctant to make a decision without having the comfort blanket for centre staff acknowledgement". These same "competent people" appear now quite content having received directions to "go off and make the decisions". However they "also know when to come back and ask the questions". Interestingly this particular person thought that the

relationship could only improve as IPT positions were to be competed between those MOD personnel involved in procurement and industry. Here was an opportunity that perhaps was not so attractive in the past. However, thanks to, “its lot of power, empowerment, lot of responsibility” there was a greater attraction to the job.

DPA relationship not changed but working well

One officer with previous PE service felt that the relationship had not changed “dramatically”. He took the view that the “DPA, with the best will in the world, have always tried to achieve the objectives that have been given to them”. Although not entirely successful he went on to suggest that they also achieved “an awful lot of good that they've delivered in the past” but that was almost ignored as it failed to capture the media’s imagination as firmly as did their failures. He pointed out that as civil servants they worked within certain constraints, one of which was “a lack of responsibility for what they deliver”. He went on to say rather forcefully that, “What we are doing now is forcing them down a road to accepting responsibility”. It was of course the SPI that heralded many constraints on the DPA to be lifted such as working more closely with industry and formulating user requirements but perhaps reference was being made to the “royal we”.

One rather high profile legacy programme, which had come under considerable scrutiny by many parties including, ministers, and yet “not once has there been a case where anyone has said, the DPA said this and you have said that. Instead, its manifested itself into having completely the same message and genuinely believing that we are going completely in the same direction and quite frankly had we not been able to present that sort of coherent message I don't think the programme would have progressed at all”. It is difficult to attribute this behaviour and understanding to SPI because such incidents are not without precedent. However, it does provide a flavour that relationships are both healthy and effective.

One interviewee raised the point that one place “where the biggest culture change is yet to take place is at the very top of the organisation and the way that Ministers use the Chief of Defence Procurement as their general procurement advisor”. And they don't sufficiently use DCDS (EC) who “under SPI really ought to be having the higher hand here in terms of you proceed from your requirement first of all and then the solutions to meet the requirement are an interplay between the customer and the DPA”. There is a case to support this argument and it is unlikely to be resolved as long as the Chief Executive of the Agency is senior to his prime customer.

DPA relationship improved with some reservations

One interviewee brought out the disparity in working hours between the Customer and DPA suggesting that some people saw this as DPA being “lazy”. He did have the grace to point out that “there is a long working hours culture here”.

It was felt that the DPA was a risk averse body and rather than seeing this as a weakness it was viewed as a strength “that they should be bringing to the overall mix”. In the past it could be argued that the OR customer was the very opposite and called for more favourable and earlier dates to meet an ISD. It was those very dates that were reluctantly agreed to by PE and which subsequently were rarely met. DPA's caution is better understood under SPI. Maybe its because the closer the actual working relationship so a common interest unfolds and through it a shared understanding regarding such issues as the probability of success.

One senior DEC noted that although he had “a good working relationship with my DPA IPT team leaders” he had a “very poor working relationship with the DPA's Executive Directors (XDs)”. He didn't feel that the XDs had found their “natural position in life yet.” He also didn't believe that the IPTLs necessarily understand their relationship with their XDs. Continuing this theme he said that “Some XDs still put fingers in the pie, some XDs still try and change things without the customer's agreement. Most XDs share the view that they don't have any formal relationship with the DEC's or the CMs at all, and yet still have quarterly meetings with the IPT team leaders. Some of them invite DEC's along, some of them don't want to have DEC's along, they want to have a private meeting one-to-one with their IPT team leader.” I have focused on a one star view merely because it covered most bases but there were others who aired similar concerns. This is an important issue as when people are suffering from cuts yet enjoying new responsibilities it is frustrating if factors conspire further to jaundice special relationships. I followed this up by asking his views on the EC two stars and he suggested that there are issues in both camps that warrant two-star experience and understanding an issue with which I have no difficulty but again the lines of communication and responsibility need to be clear.

What tools are being put in place to improve your productivity here?

General

The resulting responses picked up four key themes beyond two people who felt nothing had been achieved in terms of new tools. There was the reliance on CHOTS, which had improved significantly with the latest software modification. There was the introduction of Capability Area Plans, which were innovative but failing in that there was not a complementary Balance of Investment tool. Then there were supporting applications that were now accessible like CADMIS and AMS, which provided some

further insight and guidance. The only point I would wish to make at this stage is that IT and other tools can only support a developed process. Whether the processes are sufficiently well developed will be addressed in subsequent paragraphs.

CHOTS

The new CHOTS software, CSV8, was viewed as “a great improvement”. Particularly with the external links that it provided, “like to Strike Command, DERA and DPA”. Even so there were still numerous players in the Procurement theatre that did not have access to CHOTS and so there remained “a continuing reliance on hard copy”.

However, this slowly evolving programme cannot be attributed to SPI it was very much a MOD headquarters Intranet. However, as might be imagined with any large complex system there will always be antithetic views. There were few interviewees with such a view, indeed only one respondent described CHOTS as being “designed to actually handicap our productivity by the fact that it regularly crashes every three or four weeks or something like that and also of course that getting large attachments anything over 2 megabytes over the CHOTS DAWN interface or any of the CHOTS other interfaces is totally impossible”. One respondent admitted that he did not know “how to use CHOTS properly” although “I’m picking it up gradually”. This status is indicative of one of two things either there are not sufficient training resources available to fund his attendance or either himself or his line manager failed to make time available for a course. Either way without a thorough understanding of CHOTS life is extremely difficult.

Capability Area Plan (CAP)

During the break through process DEC’s were required to generate what is called “a CAP, which basically assessed where we are now, where we want to get to, what the gap is between those two, and the actions that need to be taken to close that gap”. This was a novel tool in the area and was used to identify capability rather than equipment issues, which had been the key criteria for the previous system. There were some who believed that the tool was not fully developed and others who felt that insufficient guidance was given to realise its maximum potential. Many interviewees shared the view that “CAPs are a powerful tool because you capture your finances, you research the gaps” but there was further concern that maintaining the documents was manpower intensive and with small staffs this was likely to lead to stagnancy and a lack of currency until brought into focus on an annual basis. However the largest concern associated with CAPs was the lack of “a coherent capability gap analysis tool and we’re not applying gap analysis across the DEC’s in the same sort of way”. I have some sympathy with the practitioners regarding analysis tools, which I will turn to next. However, it should not be forgotten that the DPA had formed and were progressing forward and

the Customer had to introduce rapidly processes to ensure that he too could contribute to the wider SPI theme. The fact that some of these processes were immature or that there was little coherence should not be unexpected. Indeed it could be argued that not infringing the DEC's autonomy and adopting a bottom up approach may have done more to identify a way forward than being authoritarian without practical experience.

B of I

Throughout my twelve years in the MOD there was a search for the Holy Grail of an effective B of I tool and moreover the search was shared with our US and other NATO colleagues. The search was not limited to equipment and now capability it was also sought to resolve where to lay our significant investment in research. We were investing £0.5Bn per annum in the Applied Research Programme alone in 1988. It is therefore not surprising that the search continues and moreover that the solution remains tantalisingly close according to some "it's not going to be available for another year". There was a certain frustration surrounding the shortfall suggesting that, "these sorts of tools are available in industry and industry uses them to make decisions" and why then could they not be employed in MOD. The problem from my perspective has always been the "not invented here syndrome" and "here" means either the Centre of Defence Analysis in DERA or the Central Scientific Staff or a combination. If we are not careful, instead of employing technology in our analysis there will be a reversion to good old military judgement, which is very much the pattern of activity that the US have followed. There is a significant amount of money involved in developing such tools. It therefore appears almost ludicrous that so many DEC's are investing in CDA to develop their own tools, when what is required is a common and scientifically approved tool set that can be used by DEC's and by the JCB. One concerned commentator used his protection of GPS access capability or navigation warfare, which spanned many DEC areas to illustrate his concern. Firstly, he has to get all the appropriate DEC's to invest accordingly and then hope that one or more do not pull out because in their B of I exercise this capability ranked lowly.

CAPMIS, AMS AND DOORS

The Capability Area Planning Information System (CAPMIS) is "the one tool that has so far come in". This database "sets out all the cost lines, the old LTC lines if you like for all the major projects and is taken from a data base maintained by DPA. Thus removing some of the potential confrontational meeting of old whereby the OR officers rummaged around in Abbey Wood trying to get the latest figures, which was deplored by the PE because costing were an area of knowledge and therefore power. Again "I think that (CAPMIS) was going to come anyway" and did not result from SPI.

Like CAPMIS the Acquisition Management System (AMS) was seen as helpful and in some respects it is similar in concept to the old CDPIs that were never fully developed. The tools on AMS are designed primarily for project management within the DPA but also provide an insight for the Customer on such issues as the business case.

DOORS is a specialist tool designed with creating the URD in mind. Subsequently, it is used to link the SRD to the URD. The final product had not been received at the time of the interviews but the need for a clear audit trail between the URD and SRD has to be essential and therefore should be welcomed.

I felt after my talks that for many the increased reliance on IT was doing little for moral and some suggested walking corridors could become a lost art. One cause for discontent with IT was, "the idea that you have delegated by putting it on the Web and therefore its everybody else's responsibility to go round and hunt for the fact that you've put a new piece of advice and a new piece of data on the Web." This was not seen as effective but rather "reducing my productivity".

What practical management steps have been taken to improve your and your teams performance?

General

The responses ranged from nil or little at the negative end of the spectrum and here it is worth noting that a significant number of the more experienced old OR hands shared these views. More positive remarks covered the themes of induction, the breakthrough process, seminars and away days, IIP, and management plans.

Induction

Those who attended the in-house induction course thought it was a useful and necessary starting point particularly as there are so few reference documents to comprehend the new processes and practise and comprehend the breadth of SPI. There were a significant number who were out of phase with the induction course when they arrived and felt deprived as a result. This sentiment is illustrated by, "it wasn't as though I had a couple of weeks training or anything. And that's not unusual and I've had comments from a lot of people that there was no adequate orientation." The people who specifically need this focus are the RMs whose centre of gravity lies in Bristol but whose database lies in Whitehall and I am not convinced that they have an adequate period to comprehend fully what they are representing when at the DPA.

Breakthrough and Seminars and workshop

The breakthrough programme was seen as useful “in getting to know people and trying to focus our mind on where we were going as a group”. However, it was viewed as very much “self-help in parallel with everything else”. Many felt “It was a huge additional workload for everybody to take on”. Even the mentoring process whereby someone who had experienced a breakthrough was required to provide guidance was seen as slightly hollow because that person had his own job to hold down in parallel and his performance “was seen a sketchy”. Perhaps the most telling comment identified the IPT breakthrough experience as better than the DEC’s, citing professional consultant support as the greatest differential: “We are just waiting for a day at the Strand Palace Hotel the rest is all self taught, sort of find out for yourself”. Another officer stated that, “I got more out of the IPT breakthrough than I did out of the CM breakthrough”. I am confident that the major cause of the disparity between the two breakthroughs was funds. However, it is difficult not to engender some form of jealousy if a key feature of one process was hard work and self-help and the other process was optimised by a period away from office and consultant support. It was guaranteed to create “a them and us” syndrome. A schism that formed between two other notable parties and for similar reasons: the Support Groups and IPTs in the DPA.

To supplement the breakthroughs or to provide something in lieu of them for non DEC personnel seminars on the SPI processes were held as were seminars on learning from experience and other related acquisition topics. Although some suggested that not enough broadcasting of the learning from experience took place. One of the key benefits of this openness has been “a greater flow of information” within the area and more opportunities for the CMs and DEC’s to talk with their teams.

All these steps are typical change management activities and are to be applauded all the more so for being mainly self- help. However, it could be argued that a body like the SPI Implementation Team could have recognised that the effort was not equal across the piece and brought to Ministers’ attention the need for further investment to create the desired level playing field.

IIP

Although not directly a result of SPI the IIP programme was running during the SPI process and this was viewed as important because “the general philosophy in IIP is potentially good and valuable and that it does identify training needs”. Another interviewee suggested that “as a consequence of IIP I think you do take training needs far more seriously than we ever used to”. I fully supported both the philosophy and practise embraced by IIP but was always weary that the resource would never be in

place to ensure that individual expectations were realised and this was particularly important for the junior staff whose opportunity to leave the Main Building and progress their careers was limited. They after all are key team members and yet their loyalty is tested rather than nurtured.

Integration

One of the most difficult organisational chores was the integration of DGE's staff into the predominantly military EC community. The key management steps to achieve this coherence involved fostering a greater and closer relationship with the ECC. For example through his involvement on the JCB the leadership that DGE can give to his divisions is more focussed on their "helping to achieve EC's objectives". At the next level down each CM has an affiliated section with the "Grade 7's acting as members of their management boards". Which in turn would imply "So they are part of the team, seem to be part of the team, involved in the discussions about how that organisation should develop". Altogether a very intelligent step in which the team spirit is enhanced through integration.

Management Plans

I was never a proponent of management plans whilst I served specifically because they were couched in bureaucratic language which had little meaning to the senior management let alone the workforce. There can be little disagreement with the sentiment that "In principal I think the setting of a management plan, the setting of personal standards or performance requirements, the setting of means of assessing against that requirement are good things to do". Whether it will impact on day to day performance will be dependent upon its comprehensibility and here there is a compelling need for it to be written in plain English. If it is, then it should be a bonus that will provide clear direction, create closer ties within the workforce and act as a reference point for the change culture process.

What rewards scheme is in being to improve your desire to work harder and succeed?

General

The themes emanating from the interviews fell into four categories. Bonus schemes, Annual Confidential Reports (ACRs), recognition and motivation, and philosophical issues.

Philosophical issues

- Attitudes. There were those who felt that the motivation to work harder was inspired by a combination of "personal attitude and attitude of your boss in the form of team building activities"

and “towards working practices”. Many of the interviewees enjoyed the close working relationship instilled during breakthrough. Others sought “greater freedom of working practices” such that “you know what you have to do” and “timescale you have to do it in” and were given the resources and allowed to get on with it accepting that normal management “checks and balances” would pertain.

- **Loyalty.** Some felt that remuneration was not a key issue and if it were, “I wouldn't be in the MOD”. Rather they saw the issue as one of “loyalty to the government” although the constant state of flux surrounding procurement related appointments was challenging this quality and it was doubtful whether the younger generation would be attracted to the civil service as a career or remain loyal for so long. I am not convinced that this argument is related only to the civil service as it could be applied equally to the military or any other career. There is a definite tendency within society to move between jobs with greater regularity and in theory these moves correlate to stepping stones normally associated with increased responsibility and pay. In a world of limited talents many world class organisations are attempting to secure loyalty from the workforce normally by providing them with more interesting work, greater responsibility and greater challenges.
- **Industrial Equivalent Pay.** There was only one person who believed that having modernised the process, “you've kept the same policy on pay and conditions”. He went on to say “until MOD start to give packages”, which “pay people appropriately and comparably with industry and gives them the other benefits that people in industry get, I think you're going to have this de-motivation”. It's the things that you don't have which demote ... rather than the things that are carrots that are dangled in front of you”. He then slightly contradicted this argument by suggesting that there was a level of professionalism which appeared to transcend “working and pay conditions” in the civil service and forces, which drove them both to work long hours and achieve high standards. From a services point of view there is a significant shortfall in both recruitment and retention and one of the causes for this has been attributed to the working and pay conditions. The civil service are also in a competitive recruiting environment and may find it difficult to retain expertise particularly that of scientists and IT experts on current salaries.
- **Job satisfaction and pride.** I just wanted to touch on one declaration, which I think many would sign up to but perhaps it was too obvious to be stated. “I mean there is your own job satisfaction” and “there is your own report and your own progress” and “it comes down to that pride in your own job (performance)”. I believe that pride does allow a great deal of tolerance towards working conditions, pay, et al. The trick is ensuring that pride is allowed to flourish and this entails due and regular recognition to be given particularly from higher management. Associated with this theme

is the "motivation that comes with the job" and here such aspects as the status of the job and the responsibility including the management of large budgets become critical.

Bonus schemes

For a civilian there is a Civil Service Bonus Scheme whereby hard work, defined as work above and beyond the call of duty, can be rewarded by a cash, taxable bonus. This sum of money is available through operating costs up to a maximum 0.2% of which can be employed to support the scheme. However, it was suggested that the scheme was not given a high profile. In addition, as it had only been in place 5 years it was seen as unnecessary "to develop new schemes if there are already ones in place". Further thought in the EC area on introducing further bonus schemes had included such "bizarre ideas" as "introducing Ronald Macdonald's 3 star employee of the month".

There was a perceived difficulty in rewarding people, which centred on the position of the forces. The explanation given was as follows. Within the forces it could be viewed as divisive. "I think there is also a difficulty within the acquisition stream particularly providing a financial reward for doing particularly well in an acquisition job when someone in an operational environment who is enjoying equal success cannot be rewarded". Acquisition could also be seen as offering a soft as well as more lucrative option than being in the front line and this would almost guarantee a poor relationship and a reticence perhaps to be associated with secondment to acquisition.

Annual Confidential Reports.

There was a view that the ACR system was as good a way as any, particularly now there is an open reporting scheme for the military, to measure the effectiveness of individuals. It could become more objective in the assessment and this was already being tested within the IPTs where the specific objectives for individuals, which they work to, could be used as the measurement tool. The harmonisation of the three service reports should also greatly assist any overall rationalisation.

Civil Service higher box markings within the ACR could be viewed as performance pay. One person reported that the difference between a box A and box B marking within his grade was only about £113 per annum, and a bonus payment which he received at the end of the Gulf War was about £400-£500 and both sums of money he thought were inadequate. What did this individual find rewarding? "Normally when there's a very clear defined task for which I can clearly see some benefit resulting". He went on to state that "I don't believe that salaries are key motivators for people and I suspect that even doubling people's salaries wouldn't actually motivate them significantly". I have my doubts as to the validity of this remark but it does show that money is not everything to everybody.

Many saw the ACR as part of a longer- term reward scheme whereby a series of high grade ACRs would be rewarded by promotion, which in turn impacted on salary. One of the specific concerns of one officer was ensuring that the EC appointments were viewed by the single service appointing officer's staff as high grade, which in his view was not currently the case. Without that confidence even high grade ACRs would not accrue sufficient kudos to warrant promotion. That weighting or lack of weighting would be applicable to all agencies looking after HR issues in the EC area.

Recognition

A phrase that sums up by far the strongest theme was "Recognition that is the most important thing". Following on with this theme there was a view that "reward doesn't have to be financial you know" it could be a "pat on the back saying well done" and "come down the pub and I'll buy you a pint of beer" or whatever. Although this activity happened the recognition was normally intra teams.

A service person expressed a view that "the first thing we need to do is manage our people as we would manage our people if we were in theatre, if we were on a ship, running a regiment and trooping people whatever". It was always my view that the leadership lessons learned in the hallowed halls of Dartmouth, Cranwell or Sandhurst were often forgotten in a environment divorced from the parent service. I am taken with the wider recognition that was also recognised and would be gleaned if senior officers made a regular habit of walking around sitting on desks and saying "make us a cup of coffee or, lets have a chat how are things going?" In the process of achieving more regular dialogue it was also thought that it would "engender a better team culture than we have at the moment" by providing direction, guidance and recognition. This it was thought would "probably be as much as I need rather than a Mars Bar or a hotel or whatever". I believe the point being made is that there is a need to revert to basics and basic management specifically.

Continuing with the theme there was also a belief that, "people will always perform well or will always perform better clearly at least when you've done a good job somebody notices". The converse was also likely to be true namely "if you've done a not too good job nobody actually minds getting a good wiggling provided its a constructive wiggling and you can move on from there". I think there's actually nothing worse than putting in a mediocre performance and nobody noticing that either because it too does not inspire a desire to do better.

How great a change is being introduced through the creation of either IPTs or CWGs or both?

General

The answers fell into two clear themes IPTs, which were more advanced in thought and practise, and CWGs that were only in being for a few months at the time of the interview. The interaction between the two bodies is addressed under the respective headings dependant on the slant afforded.

IPTs

A senior office stated that "The creation of IPTs seems to me the more important of the two". Perhaps that was also a reflection on the hype that had surrounded the IPTs since their inception. However, it should not be forgotten that both parties make an invaluable and synergistic contribution to capability because "if we aren't vigorous in thinking through what we should buy, the efficiency with which we buy it is perhaps not that important". There remains some doubt as to the degree of novelty associated with IPTs but there is a general consensus that since the launch their authority "has disposed of a lot of lethargy that I perceived in the DPA".

Now that the IPTL can go direct to CDP speed should be saved over the old process of the project managers wrestling with layers of senior PE management.. Decisions and judgements can now be made, which could not be made by IPTL predecessors. An illustration of this change in performance over 12 months co-operation has revealed a "change in their views; they've become more positive, more imaginative."

A huge advantage is achieved by making, "the IPT leader accountable for his actions in a way that he wasn't before." By bringing all the players together in one team I think its also gives the IPTL the tools to achieve the acquisition that probably they lacked before. When accountability and grouping the resources are coupled under an I P T L, and he in turn can influence outcome by leadership the total package probably gives a slightly more coherent point of contact to industry. In that "they feel they are dealing with one entity not a head that's going to lots of different places to receive approval".

One of the key attributes associated with the introduction of IPTs is the " better communication now with the IPTs having a RM down there. Who can liase back to the desk officers". Although somewhat parochial in substance the improvement in communication was always likely to result in improved relationships and understanding. This awareness of each other's problems has also "helped them work together towards a common solution". This good customer/supplier relationship can be viewed as being another manifestation of a team ethos and in these circumstances some doubt the logic of creating six page agreements. I consider that formal business relationships are the most effective immaterial of the underpinning relationship.

This theme crops up again with the greater push to create coherent teams across the piece as a consequence of IPTs. With some of DPA, DLO areas being pretty integrated since the last set of turn rounds. The Naval Propulsion IPT is 30:70 operational costs funded by the DLO and DPA as a Dual Accountable IPT hosted by DPA. So I think what is happening is the forcing of all parties down the integrated model concept.

To many the introduction of IPTs with new found responsibility “must have made an enormous change rather than having an MOD department in full control of classified requirements and so engaging industry and academia in that debate”. CWGs and IPTs do add a very strong degree of reality and I suspect it really does temper and moderate some of the requirements and make them slightly more realistic and “must ultimately reduce therefore the overall risk to the programmes”.

It was also believed “that it brought out into the open all of the involved parties and also exposed people that aren't involved who may of thought that they should be in the previous regime”. In the SPI “the hierarchical relationship that ought to be between these players was stated which again was viewed as most useful.”

CWGs

As “CWGs are going to be most effective when they are doing fundamental and early thinking rather than managing the programmes after they have started off (current status for many)” it is not surprising that so little comment has been made regarding the value or otherwise of the CWGs. Moreover, the overarching impression was a group of organisations operating with a process “still in an embryonic stage.”

One of the key strengths of the CWGs is again the integration of teams by involving both the research and industrial people at a much earlier stage. In addition, the “CWG has enabled us to get the relevant stakeholders together and discuss the issues round the table more so than we did in the past where we classically had dossier working groups focussed on one particular programme.” The concern appeared to be keeping attendance down to a manageable size” so you don't end up with 30/40 people which classically falls in to the category of a talk shop.

One person described the outcome as “a better handle I should say, its getting better all the time, of customer two and the true users needs as opposed to our perception of it.” ECC staff operating in the context of a CWG “are much more accountable to the Capability Working Group as a collection of

people who are stakeholders in a particular capability than their predecessors were.” Others felt that a “CWG is like a shareholder meeting where issues are raised rather than resolved”.

The CWG process was seen “in theory as a good one”. Probably “the practice is quite good across the different areas but we have almost have 16 different ways of doing it”. Which in turn could cause difficulties for IPTs who are dealing with more than one CWG. However, there was a shared view that we should not be too prescriptive but instead “provide boundaries within which CWGs would expect to work”. It should be remembered that at the time of the interviews they were literally at an embryonic stage and very much attempting to identify best practise in new territorial waters.

Objective 5 was to identify change initiatives, which are harmonising effectively the cultures within ECC.

How has your understanding and belief in the SPI processes been changed?

General

There were only a few strong themes and they very much match the spectrum of views you might expect from a representative population starting into a change management process. Many started off as sceptics and their view has changed positively with experience. Some believed in the principles from the outset and are gaining in confidence through experience and have a tendency not to rush their final judgement. And only a small minority remained sceptical as they felt that key issues remained unaltered.

Converts

Many attributed their scepticism and surprise to the fact that “ the central customer reorganisation didn't happen first or at least at the same time” and because of this failure they could “not understand how SPI was going to work”. Moreover, others thought it wise “ to have had the customer processes in line before IPTs were introduced” as the customer appeared to have “ kicked off in somewhat unseemly haste and there was a lot of gnashing of teeth and confusion” in the winter of 2000.

A compelling argument was provided by many that SPI needed to be given a “bit of time” to “bed in” or “ settle down”. There were sceptics who felt SPI was “Just another change” and yet since it started “I have taken it more on board and started to believe in it”. Others shared a view that through involvement in SPI “ it would appear to be a practical and beneficial thing to do”. Many opinions changed through “ greater experience of things actually happening and not through “ the Minutes to

Ministers or through bits of publicity coming out of Abbey Wood or wherever". A senior commentator suggested that the "most important thing is actually seeing practical realities and I have seen enough to say that I think it is a positive initiative that's going in the right direction". One sceptic with some hope from the outset was happy to say, "it does seem to be working a bit better although I've got to say that it is early days. Others were more definitive in the timescale and thought there was a need "to monitor over a 5 year or 10 year period to compare the way we used to do things and see if are moving in the right direction.

Another "healthy" sceptic believed "that the process has proved itself in that the empowering of DEC's has worked". He was not convinced that it has had a "tangible effect on the delivery of capability" and again he suggested that only time would tell. The role of the CMs was a specific grey area and it was advocated that their influence over the DEC's be reduced.

Believers strengthened by experience

The vast majority of interviewees were initially smitten by the need for and believed in the principles of SPI and their strength of feeling had increased through enhanced knowledge, practical experience, development and greater understanding. Some had not "changed my view on the necessity of SPI" but were slightly concerned by the fact "that SPI was such a big change and already we're into more change" like the ECC area was "due for a 10 per cent reduction during this financial year". "Those reductions may well be there on the system to be squeezed out but I would have preferred to have left it another 12 months to allow bedding in". So reservations exist and they need to be assuaged.

Others felt that they were becoming more pragmatic in their attitude towards SPI as a result of the post-hype experience. SPI is "in some ways is highlighting gaps that we've currently got or giving us an opportunity to come clean". In this statement there was due recognition that SPI would not necessarily deliver the significant funds needed to make up the shortfall or waste of yesteryear but at least they were no longer hidden. As might be expected of any novel system there are "one or two aspects at the fringes where it is proving harder to find the right solution". The examples given were acceptance and incremental acquisition but I don't think it's a fundamental problem of SPI because the topics were recognised as complicated prior to SPI.

Like the converts there were a number who felt "it's probably too early to judge without seeing a result or to really decide whether it's being as effective as we would like it to be". Time would permit "improved knowledge" and "better process definition" and "a better understanding of the practical aspects of SPI".

It was felt that this whole process should be facilitated by what is described as “a greater interaction, a better flow of communication” between all MOD parties involved in procurement. This feeling was further re-enforced by the view that within the ECC area there was “a common desire, a realisation that we're all here to provide military capability or equipment capability”. A new -found working team, comprising people possessing a “military perspective or one of public accountability”, shared this desire. There were still elements outside the team such as industry although irregular discussions were held with them. But it was recognised that these discussions were not the free flowing dialogue, which was envisaged in the SPI, between Customer and Industry to discuss “how you might achieve a certain capability”

One show of industrial initiative and commitment to SPI saw them presenting a case for replacing a capability with another, which had the potential to save “something like £54M over 7 years through a contract placed in only 9 months.” It is appreciated that these figures are only indicative but they add a degree of credibility to support the theoretical argument that SPI can deliver a dividend. In so doing morale and commitment to the initiative are enhanced. It could also be argued that this “smart” industrial initiative could also have been offered under the Downey regime where often viable, cost-effective solutions could also be rapidly adopted as was seen with regularity under the Urgent Operational Requirement regime.

In trying to encapsulate the views of this body two other quotes come to mind. “This year it has been a bit of an educational process for us all.” I share the view that a “big bang approach” seldom delivers because it tends to be out of date on fielding. The alternative of fielding a partially developed system which happens in this instance also to be novel often creates a steep learning curve which should not be ignored. Rarely can a running start be achieved in this sort of complex initiative and so adequate time and effort should be provisioned to reach a coherent stage of development. The issue of effort required merely to develop the process is addresses well in the statement “As far as I'm concerned it is still the right way to go and still the right thing to do but it's hard work getting there.”

Cynics forever?

There are those who are grateful for small mercies and there are those who have to experience total success before feeling fully committed. One candidate felt that he had “veered somewhat more towards a cynical nature of late” as “3% efficiency savings or broadly arbitrary cuts were continuing to be being imposed upon the system”. Instead of the SPI promises of more objective assessments leading to more effective flexing of funds across capabilities. Another respondent could not see any prospect of this funding mentality changing because of a lack of B of I tools.

Finally, one cynic felt that core business was suffering as a result of the change activity and therefore was likely to impact on SPI. The assumption that in the short- term procurement achievements would dip before they rose is difficult to refute but a long- term view would suggest that benefits could accrue. The same person suggested that you “cannot eradicate some of the ills: like the inefficiency of industry”. Interestingly, this was an issue rarely taken up by this church and perhaps this is understandable, as they are no longer directly involved in projects. That said, the reputation of UK industry is quite sullied as Sir Richard Evans has publicly admitted³⁸⁸ and it could also be argued that they too remain cynical believing in many respects that such issues as industrial involvement in CWGs was not fully thought through³⁸⁹.

In what way has the recruitment, selection of key people and any redundancy scheme added to the change process?

General

Three themes or areas of interest were raised: redundancy, recruitment and selection.

Redundancy

One of the arguments surrounding redundancy is that it provides an opportunity to be rid of people who would not be receptive to change. During and post the move to Abbey Wood there was a rationalisation of staff, which resulted in redundancies. However, this “did not create promotion opportunities as level transferees rather than promotees mostly filled vacancies”. Promotion opportunities were further reduced in DPA through the downsizing and this impacted on the morale of some interviewees who had subsequently transferred into the ECC area.

The unhappiness caused through downsizing was also experienced by some PE staff who were transferred to either the DLO or DPA dependant upon the maturity of their programmes. In-service project staff were moved to DLO and programmes still in development transferred to DPA. If there is to be a split in responsibility this division was as good as any. However, for those in the DPA a redundancy scheme was available, for those moved to the DLO no such scheme was introduced and another move was required.

³⁸⁸ Vertical Take- Off

³⁸⁹ Concerns were highlighted and addressed in a, CWG Support Group, Working Paper by MOD and the Trade Associations in June 2000.

The only recent redundancy within the System's area was that afforded to the scientific staff. On questioning one senior scientist suggested that the scheme " simply recognised the streamlining that can be achieved". There was an overall reduction in senior appointments, which centred mainly on the loss of Directors Science, which would have impacted on promotion prospects and morale.

With any redundancy scheme "the numbers of people who are available are whittled away". Little recognition is given to the loss of "appropriate experience" that occurs. But if we raise the ante there are also those who might not be made redundant but whose job is removed as the result of a savings measure. This gradual "whittling away of the administration within the MOD" was seen as "being a bad thing because it means that actually more and more really mundane tasks are put on people at desk level". Which was viewed as "a waste of effort, its a waste of expertise" and an experience not shared by higher grades who benefit from supporting staff. Again this has to have an impact on morale, retention and recruitment.

Recruitment

One senior grade explained that "For a while the reorganisation did not help me get good people into my division". Although Resource and Plans "were seen to be prestigious places to work in" initially the same standing was not afforded to DCRS. With the creation of DEC's and a closer understanding fortunately the "pendulum has begun to swing back in the other direction and we don't have a problem getting good quality people". So as in many bureaucracies people have once again been attracted to powerful and important appointments and this is borne out in the survey results.

The perception of a younger fast track civil servant was quite interesting as he saw an issue with future graduate recruitment. He thought "with the packages that MOD offers I will be amazed if they can get the calibre of graduate that they really need. We're in quite a positive area for the economy so it is not difficult for graduates to find work". He went on to postulate that although previously people turned to "some sort of government organisation they are now looking to go and work for other companies, investment organisations and consultants". The ECC area might not be able to influence the attraction of becoming a civil servant but they should make every effort to make their environment attractive to those committed.

During discussions I was made aware that EC was seen as an unhappy environment for civilians. The problem seemed to lie with " middle to junior civil service personnel" and recruitment "to join this area is now something of a problem". It was thought that this phenomenon may well be a reflection of "people outside the procurement circle thinking of the upheaval associated with Abbey Wood " and then just extrapolating. The de- camping out of Main Building will cause further concern and so it is

important that every effort is made to foster a strong organisational culture if the best people are to be recruited and retained within the ECC ranks during this turbulent period.

On the military side the “personnel services are still on the default setting of the people that they used to send to these types of jobs”. And this was certainly my experience over the years on a selection board where they simply did not understand the impact of a change of appointment or job description in none single service appointments and indeed “family appointments” tended to take priority. Others interviewed agreed and doubted whether RMs, DECAs and IPT appointments would be understood or correctly filled.

Selection

There is a view that if IPTAs can be selected by open competition including industry then there is no reason why DECAs should not be similarly chosen. One rather parochial yet practical view was that it would take so long for the individuals to become acquainted with the MOD process that it would be difficult to employ an industrialist as a DEC. This argument is fallacious as Special Advisors from motley backgrounds are already employed so perhaps it is a matter of quality not background.

I was particularly interested in whether the new job descriptions and skill sets would change the nature of people populating ECC appointments. OR was considered by some to be a technical appointment and the RN for instance had a penchant for Weapons Engineers holding down key appointments and the Army insisted that they had to have a technical education. It is dubious whether with the refined boundaries that the same skill set should be maintained in the ECC.

There was a belief that the best person for the job should be the criterion applied to most appointments and that competition would facilitate that ideal. One caveat or observation made was that “provided we can adequately meld it with the progression of individuals” it's the right thing to do in most of our jobs in the Ministry. The new DEC Deploy, Sustain and Recover (DSR) will be filled by competition” but I would suggest the competition was military. Some saw competition as important “in encouraging scientists and other civilians to see a future in EC”. There was agreement that the most dynamic and best jobs were the DECAs and “if they were open to people on merit regardless of which of the 4 services they worked for I think that would be a good thing”. Another military person was much more open in stating “I see no reason why there shouldn't be competition between not only servicemen but also civil servants out of the areas”. I have to admit I too would adopt the more liberal stance.

The viability of open competition was doubted because “there's a sort of an established military hierarchy in the building and competing those posts may cut across that but I don't see that it would be

a bad thing to do so". In an era of Jointery the continuance and strength of a single service culture has to be limited. The question that then arose was who would conduct the selection. And the implication was that the "JCB would select them". I would have no difficulty of falling into line with the methodology employed in selecting IPTLs, which I gather involves Customer and Supplier representatives. It would make sense if DCDS (EC) kept at least a watching brief on staff backgrounds to ensure that the capability areas are balanced in their representation and no single service has a disproportional influence.

One statement that is questionable because of its sweeping quality is, "It seems to be strange that you demand standards of the supplier (IPTL) and the customer making the key decisions isn't necessarily the best person for the job or adequately qualified". However, like so many generalities there happens to be a smattering of truth involved and in some areas quality can be sacrificed rather than accept a gap.

How has the move of the Requirements Management staff to Abbey Wood affected practice?

General

Their responses created three themes, which are comments on the function, communications and administrative issues surrounding the introduction of RMs.

Co-locating the Customer representatives, the RMs within the IPTs was an aspiration under the SPI IPT concept. At the time of the interviews there remained funding difficulties as to whom was going to pay the RMs' operating costs and moreover the number of RMs was not finalised and neither had many actually de-camped to Abbey Wood.

Function

There were those who fully supported the philosophy of "having people develop the requirements that are actually part of the project team". It seemed very difficult to some "that someone else would make a series of requirements and give it to someone else to actually meet them". One scientist felt that "Its key to all modern project management processes that the same person, the same team that manages the projects, takes it through to its completion". He went on to say "It's also the same team that develops the requirements and sets the timescales, budgets and technical solution". For these advocates the concept of RMs was "just a common sense move" and its one of the things that they "couldn't understand about the old process".

Others saw “the service member of the team has had his role re-enforced”. “He’s no longer a technical advisor or somebody that deals with the ILS. He’s seen as a key member of the team who is there to identify what the real requirements are and to explain the context in which the military equipment is going to be used.” They saw RMs having “a different functionality”. Other service people might be in the IPT but the “ILS representative has a different set of skills and disciplines”. And similarly the IPTL even if he was a senior officer “has a different skills set and management function”, whereas the RM represents both uniformed user communities and brings current military experience to bare.

In terms of RM functions the key was “the business of what is this equipment going to be used for. What context is it going to be used in and who will it have an impact on”. He is also responsible for addressing the wider issues “associated with equipment” including training needs and its place in the Battlespace.

However as in any change programme there were those who were not quite sure “that the relationship between the Main Building military desk officer and the RMs within the project had actually settled down”. As an example, the responsibility for producing URDs and SRDs was discussed and he believed both were a MOD task. Actually both were being written in the DPA. I refused to be drawn into the theory whereby one was to be written in each area. Actually another interviewee considered the main benefit to be that the IPTL was better able to fulfil his obligation on delivering the SRD.

Co- location “allowed the RMs to be much closer to the goal posts” and therefore better able to “understand the impact of some of the requirements and changes in requirements on the programmes”. I recall attending one NAO investigation into changing requirements and the impact on programmes. At this meeting a senior officer admitted that with almost every site visitation by a senior officer there was a likelihood that requirements would change almost upon a whim. So having a customer representative within the IPT should much reduce the likelihood of change and should impact on programme costs and speed.

Communications

The move has received mixed reactions with the vast majority being pro the concept. The pro-party line finds “that improved communication can only be beneficial”. From it has stemmed “a good working relationship between project officers in London and the RMs and also the RMs and the IPTs”. Initially it was disliked by many of the DEC’s, who saw it as “losing a number of staff” but since it started to function effectively “it provides a fairly vital close link with what the IPTs are doing and how they are spending the money”. A senior DEC took the view that as with any appointment “the personality of the RM has a significant impact on his effectiveness”. At a more junior level the vision

was practical and was seen as “The RM is probably the person who I speak to most on an individual basis within the IPT” and this “proves a very powerful link between what the customer wants by virtue of being one of the day to day experts on the requirements and what actually is going on within Abbey Wood”.

“Having somebody there that can articulate the requirements on a day-to-day basis face to face” was seen as a benefit that was enhanced when the RM had “the knowledge and the steering and the guiding hand to make sure that the IPT stayed on the right tracks”. The need to educate the RMs in their function and role prior to taking up their appointment in Abbey Wood is well made by the aforementioned needs. There was a belief that the presence of RMs “will have a bigger impact on the IPT and the IPTL’s understanding of the customer’s requirement than it would and will have in London”. He went on to say “But I don’t think we will truly see the benefits of that for probably the next 6 to 12 months as all the new RMs get in post”. I agree that the benefits might initially fall in favour of the IPTs but after time I would be most surprised if the EC area did not equally benefit

The anti-body felt that co-location had made the DEC function “more difficult”. Their view was that RMs were particularly useful as a point of contact for project information. When the relevant desk officer was in Main Building, “it was simple to walk down and see him”. Although a rudimentary Email and telephone link exists they did not compensate for the loss of regular “face to face contact”. The result was a loss of the “broadness of knowledge that was there previously”. It was admitted that with any process that involves co-location there were winners and losers and in this instance they felt that the IPTs were strengthened.

The RMs were relatively bright members of the IPTs and as such their offices were called upon for more than just pure RM tasks. Even the customers used them as “broad points of contact within the DPA.”

Administration

Whereas the RMs were in considerable demand, the DEC staff left in the MOD found their flexibility “has been reduced”. One example was given of a 40% migration of desk officers to Abbey Wood and in this instance, “it has reduced our flexibility to cope with the ups and downs of the workload”.

There could well have been a major confrontation over management of the RMs. However, the EC area had achieved what was described as “being able to more cleanly hand-off and put a boundary

round what we see as being his role rather than run the risk of micro management or being dragged into things”.

There were those who felt that it was badly handled in the beginning. Such issues as timing, physical moves, funding and ownership were all raised to illustrate the point. It should not be forgotten that many of the RM posts were filled by military staff who had completed part of their tour based on London.

There are those who felt from experience that “RMs were crucial to getting projects through” and as such high grade people were required and indeed more were required “but we just haven't got the money.”

As a result of inadequate resources, there were examples where there wasn't a RM and the EC desk officer was required to do pretty much the job he used to do including a lot of the liaison at Abbey Wood that in theory should be passed to a RM. Inevitably there were scenarios where one RM was supporting more than one IPT. Helicopter programmes were used to illustrate the point, and here the RM was a naval officer who had dealt principally with search and rescue and yet he was also being asked to act as RM for the battlefield utility helicopter. As the interviewee suggested “I think that's quite challenging”.

What new skills have you been required to adopt to fulfil these new tasks?

The themes emanating from discussing this topic ranged from none through to developing old skills, mastering new mechanistic skills and by far the most important to improve a range of skills which I will loosely term communication skills.

Development of old skills

Many with a heritage of procurement appointments felt that they have “ had to brush up a few that were dormant”. Others identified specific posts where the experience provided was ample preparation for SPI practise. Having been a “project manager in industry” or a “programme manager in DERA for a while” they thought they could “ move the bulk of the skills that are needed to adapt to SPI”. In a similar vein there was a view that “what it is doing is using skills “ perhaps in a more coherent way than they might of been under the old system.”

Although not novel the need for flexibility was identified if SPI was to progress. Flexibility is also a principle of war and I believe that in attempting to change the procurement cultures a flexible

approach which includes varying pressure and effort has to be made if the Luddites and disbelievers are to be brought in to line.

Mechanistic skills

Many felt that their IT related skills required attention particularly in the field of “learning different software packages, that kind of thing”. Others had not used spreadsheets to any great extent and “had to brush up on spreadsheet skills” and “refresh my memory on databases and their usage”. Another new to the environment felt “My computer dexterity, my knowledge of Microsoft products has increased exponentially especially PowerPoint and Excel”.

Some worried that they were “not comfortable with requirements engineering (or systems engineering) which they supposed “provided a coherent tool kit to build URDs.” Their supposition was made because they believed that “no such tool kit was in place.” Others felt “No one seems to teach you although the courses are there” when referring to both capability and requirements management. This comes back to a point raised earlier, that although learning on the job has much practical benefit there is a stronger argument that people should be educated in advance of arrival or soon thereafter in all necessary new skills and practises. One participant with over a year in role “had no training on it and I just live off my ‘lets do attitude’ and try and canvas enough people to come out with something that’s half decent which is not the way to do business”.

Those new to the MOD felt it was important to understand “the elements of modern communications” and also “getting an understanding of the actual defence process itself” if they were to operate effectively. A related topic involved “learning more each day about doing business in the building, which of course if you’ve never worked here before is a cultural all on its own”. Another thought the “skill I’m learning is being able to go round and talk to people about the whole business. You’ve got to learn the language first and the language now is different than it used to be”.

For the military and scientific communities one of the more thorny issues was to acquire an “understanding of the financial processes involved”. This also required working in conjunction with “our new plans people on the whole EP and STC process and then looking at helping with the balance of investment side”.

For the older hands there was “letting go of some of the ‘nitty gritty’ of the projects as in the “old OR side you tended to be very much sort of hands on into the technical detail and it’s still very difficult to

completing withdraw from that". This issue should not stay on the cards for much longer due to a combination of retirement and more importantly the increase in RMs' influence.

Communication skills

Many people in the MOD profess to possess good communication skills and from my own experience the military, which hold appointments requiring management and leadership skills, believe that they are particularly well blessed. There is of course a subtle difference between a pure military practise where rank is not challenged and working in a mixed environment where rank has less leverage. The danger is that people don't adapt their skills when moving from one to the other.

Those falling in to the trap came out with comment like, "Personally I always try to be open and communicated very well with people prior to SPI". "I saw with the introduction of the IPT that there are a lot of people who had to come out of their shell". New skills were also required to deal and "particularly try and be more open with contractors". This latter course of action would involve a "change of philosophy that they have been stuck with perhaps for 20 years or more", which for "the old guard shall we say it is a bit of a culture shock". A shock that would reverberate on both sides of the divide and which would take some time to absorb effectively.

There was a feeling amongst the civilians that "the military people are different, very different" and "one understands how they operate through working alongside them". It was refreshing to note that "at the end of the day they are human after all". Another commented that "one of the greatest skills I've had to master now I am responsible directly to a military officer, are that his demands are different to a civilian managers demands". The differences were in "Style of writing, attitude, and when moving from a scientific base to a non-scientific area explaining things in more simple terms". It was ironic that one service person was having to adapt by "learning the military way of writing and speech- particularly abbreviations" but hopefully this should become a thing of the past once the Joint Staff College's pupils are occupying the majority of desk officers appointments.

Investment in capability has an impact on more than just the pure military community. Examples were given of, "internal views are required from Policy and Procurement, external views from the Home and Foreign and Commonwealth Offices and the United Nations might suddenly phone up wanting something". So one of the skills required is "knowing lots of people in different places and knowing where to source information or provide information". Acts which were also referred to as "networking on a larger scale."

Those experts in a particular field were heavily into “coaching”. The art of extending their knowledge quickly across a broader church. An example provided was the advice sought by the DEC’s and IPTs and their staff on “how to write a business case.” Negotiating skills were also called upon in this exercise to ensure some coherency between the scrutineers, DEC’s and IPTLs as to what “needs to be in the business case and what are key issues”, in the absence of a focus document. Continuing with the theme of education, there were some who felt that they had to brush up their presentational skills because “there is so much having to go out and tell people about the new system and how it’s meant to relate and give them guidance on how to find their way through it.” One of the most important aspects of creating a new organisation within a conservative body like the Defence Department is to ensure that all the other areas within the Department are au fait with EC’s key functions et al. If that does not happen, time will stand still for many and processes will not develop appropriately.

There was almost total agreement that the new skill set should include “liaison and tact” because their employment “have led to more enjoyable working relationships”. Although not defined further it is assumed that the respondents were referring to the DEC, IPT, DLO, DERA and industrial inter-relationships that are to be fostered under SPI. Those relatively new to the area used different nomenclature but the sentiment was similar “Collaboration and negotiation with other agencies is a new thing”. As was “looking at things with a broader perspective” and “having arrived you take your cap badge off and you try to look more broadly”.

There was one unique comment that referred to the skill of understanding “what the real aims are of capability management and what are the best means of meeting them”. There are those cynics that would suggest that a comprehension of the underpinning high level agendas, though Machiavellian in nature, would help significantly to deliver the best joint capability. However, the political and industrial agendas are unlikely to be made clearer; the future of single staffs will remain emotive and blurred; the luxury and maintenance of two procuring bodies continue unchallenged, and the size and function of the MOD be a matter of office square feet rather than purpose.

In real terms it is doubtful whether any new skills have actually been acquired but rather new processes have had to be learned, new teams formed and new goals striven for, which to me very much smacks of evolution rather than revolution in skill sets.

How has the corporate image of this organisation changed?

General

The key themes that fell out of the interviews were different views of the internal MOD image and the image as seen by sources external to MOD like industry. Within these categories there was a spectrum of response, which ranged from no change to a significant change for the better.

Internal MOD image

Prior to the reformation of the customer base there was a perception that the MOD customer “was the three services Navy, Army and the Air Force”. Some saw the Assistant Chief of Defence Staffs (ACDS) as surrogate members of the single Service Chiefs planning team and there was some credence to this view as they sat on numerous single Service Planning and Resource Committees and moreover acted as their specialist briefing officers on most equipment and technical issues. Although many of the Two Stars are past ACDSs they have lost from their appointment title any environmental link and within the management matrix are responsible for capability on a functional rather than environmental basis, which cuts across service boundaries. It will take time for this change to sink in, as does most MOD change, and the realisation that DCDS (EC) has responsibility for capability and delivering a doctrinally coherent and effective Equipment Plan will take time to become part of the wider MOD ethos.

There was a strong opinion held that within the MOD, specifically “towards the DPA and DERA that the Customer image had changed for the better”. One of the reasons for this supportive view, I would suggest, is the much greater openness and understanding that now exists between both the DPA and ECC areas and to a lesser extent with DERA. It was also believed that its image had changed to a much “more regarded and respected organisation” because “We have a lot of power from directing a very large budget” and are therefore seen as “essential to the whole procurement process”. This view was summed up by “So I think they are far more central in the whole process than they ever were”.

That said, within the PE the primacy of the customer was often recognised particularly in the higher echelons where for example Controllers often sought the consent of their OR counterparts before progressing equipment issues. However, this was never formalised and written into a contract as per current practise. The Customer ethos now permeates the DPA and at IPT level there “has been a significant change in perception”. It is difficult to establish what happens above this level although it would appear that XDs are less involved in the interface. One benefit that should unfold stems from the existence of a “clearer customer” which in turn, “should reduce the disparate views emanating from VCDS and 2nd PUS” and instead a “clearer single view without surprises should be the norm.”

Another view saw the corporate image gradually changing in concert with in house development of the ECC process, education of the rest of the Department and evolving relationships. Nevertheless he

saw "it developing fairly rapidly". On the same theme another was "quite positive about the progress being made", as evidenced in a number of Joint Capability Board papers, but it was also recognised that there is still a lot more change to come. Outside of MOD, there have been a number of bilateral talks with the 2nd customer and it would appear that "they too are content with the new division of responsibility and in particular their management of in service capability". It was considered by some that on introduction "SPI was all sort of rushed in and involved mainly in-house activity at the expense of involving people from outside". As a result, "it has taken us a while to get the education process functioning effectively such that we are now I think singing from same song sheet".

An ex -DERA employee also spoke of several months when "it wasn't clear who was responsible for what, so that created a difficulty straight away". However, he went on to extol the benefits of SPI, which in summary provided opportunities to co-ordinate better research and capability. As a result he felt that the more holistic approach being adopted had very much improved the Customer's image certainly from a DERA perspective.

An issue, which applies to both sides of the equation, is does EC have sufficient understanding and the tools to provide the best balanced and affordable capability to match commitments? At least one person felt they had not and felt "we are confused over capability management and on some occasions contradicted ourselves", which he went on to postulate "damaged the corporate image" he was neither a convert nor military. I would have some sympathy with the view that there was a degree of "walking the talk" and that the theory was better than practise in those formative months. However, as mentioned earlier time, if used correctly, can allow an effective system to evolve and I consider that that is the way EC are progressing: not developing rapidly but rather slowly but surely.

External to MOD image

At on end of the spectrum there are those who think that in industry "it is perceived as not much more than a paper exercise, there's a lot of wait and see there". Whereas others believe that the new image is one of "much greater respect.... as organisations like DERA and industry now realise that the centre of gravity for equipment procurement has shifted to a greater extent back to this(Main) building."

One of the reasons for a change in perception by industry was attributed to them seeing "us as being more professional as an overall body". One slightly romantic view believed that industry no longer thought "we were the soft touch of yesteryear", a vision that I do not share after a brief but happy interlude working with industry. Other interviewees thought "industry's focus is probably still on the DPA, as they probably still see them as the prime area because they are the ones with whom they take out contracts.

As a result of SPI and the staffing and consulting process there has been a “clearer understanding across the MOD and industry of the pressures and the responsibilities of those various components” involved in the procurement process. “It is a lot clearer to understand what customer one’s, DPA and customer two are actually about” and “through that knowledge there is greater regard for what they are doing and what is driving them”

The concept of a “slightly more of a modern and up to date image”, which “seems possibly more in tune with more modern practices in managing large capital and equipment projects basically” was alluded to by a number of respondents. This image was likely to alter the views of industry and place MOD in a more professional light. As would, the overall procurement system which was seen “as less bureaucratic”. Unfortunately, there were a few who still felt that “the old service barriers and mentality is still there and is still rigid within that process” and so they felt that in some ways “its modernised” and “in other ways its still quite old fashioned in its image”. Again I have some sympathy with this view and it will take some time for a change in culture particularly one so deep rooted before the process realises its full potential.

It was also believed that industry viewed SPI as “a refreshing change” but although they are living with it at the moment, “they’ll want to see, sooner or later evidence that there has been real change and of course to industry that means more contracts faster”. This, according to some, will only occur if the central customer together with IPTLs, “really start to exercise their power and use the money in the way in which they would like to use the money and we do get faster, better, cheaper”. Then and only then will the outside world including industry appreciate that it is a new and better way of working and finally accept the new, professional and effective image.

Objective 6 was to provide an insight into other initiatives that could change organisational culture for the better.

Given the opportunity how would you change the culture of the organisation for the better?

General

The specific themes that fall out of the interviews involve the further weakening of the single service culture, reduction of DEC competitive culture in favour of a co-operative culture, working hours, greater openness and involvement by senior staff. Some, as might be expected, felt the change process should continue intact and be allowed to run its course airing concern that savings were so high on the agenda early into the programme.

Single service culture

One scientist reported being at a CWG where they were not aware of his non-military background and the topic under discussion was “rewards and recognition and they got around to discussing the civilian bonus scheme where rewards are given for duty above and beyond the call of duty work”. He went on to describe “it was decided there and then by the meeting that all work was your own work and that work above and beyond the call of duty didn't exist” because that was the “military culture”. He went on to propose that there was no need to adopt a rigid approach but at the same time the military staff “need to realise that civilian staff are not in the military”.

Another interviewee proposed that “the entire organisation within London be collocated in an easy identifiable area” on the basis that currently “we are staggered across three floors, we are just about to be decanted next year, and I would suggest that is not conducive to both working practices and identity”. The concept of collocation achieving a stronger culture cannot be dismissed for pure convenience but KPMG for example with offices in every continent have like MacDonald's made a strong culture crossing oceans and frontiers let alone floors.

It was believed that one way of achieving greater “Jointery” was to create another form of matrix management where instead of dedicating people to DEC's they would move into “resource pools” and be available to address issues as they arise. To achieve the greatest workforce flexibility a “considerable amount of cross training would be required.” He foresaw some problems with the military culture in that they would be called upon to work for “different bosses with different backgrounds”. However, he thought it well worth the risk as he would do “just about anything to encourage more Jointery really because there is still not enough of that”.

There was a testing view that the DEC's should not be selected from the service from which “the capability was delivered from”. Scientific staff in DEC positions was another vision shared all in the cause of “trying to breakdown those barriers and move towards more of a single service”. I noticed on my visits to DPA that a degree of derision surrounded the Army officer who was elected to be IPTL for a ship project. I feel quite strongly that the key criterion should be “the best person for the job” and so I am not convinced that other rules or percentage criteria should be introduced. However one pragmatist noted that it is “difficult to flush out tribalism with the best will in the world”. He went on to admit, “I've worked with officers who are joint officers and was told when push comes to shove and the promotion points are being assessed everybody reverts back to their roots”. Another described this phenomenon as “people default to a comfort zone and I think the comfort zone has not been shifted.”

DEC competitive culture

There was a view that greater interaction and support between CMs and DEC's was beneficial and preferred rather than the "current arguably, questionably, healthy infighting you get between all the DEC's" who now appear "naturally very defensive of their own position and their own budgets". Others suggested that "People have a rather unhealthy tendency to fight and defend their budget right to the bitter end" whereas they ought to bring out any capital which cannot be justified in the greater scheme of capability. Some also argued that one of the "dangers within empowerment is that all we do is reinforce protection".

A related issue concerns improving communications across CWGs an issue that tested the metal of the old Systems area and was never effectively resolved. One argument is that at the top-level management board, the Joint Capability Board, issues that cross CM boundaries are discussed. This is certainly the case but who is ensuring that research is shared by interested parties, who is co-ordinating B of I activity on going in DEC ranks, who is ensuring that OA inputs and data entered are common to all parties? These points are raised because without a coherent approach the goal of delivering a cost and operationally effective capability might not be achieved.

One scientific respondent opined that the autonomy of the DEC's had also created somewhat of an isolationist stance. Whereby the DEC's were "less than open and worked against the EC centre" who in turn were frustrated in their search "to find efficiencies". It is typical of any system involving money that once in the hand it is difficult to rest away even when it is for the betterment of the system. In such a scenario greater effort has to be exerted in devising an effective B of I tool otherwise the practise of salami slicing and swallowing your own smoke will continue

Working hours

One view proposed that the long working hours could be attributed to DEC's and their staff "doing a lot of their own administration work". However, the commitment of the DEC's to doing their own work meant that little time was spent "actually steering the ship and directing".

The concern over working hours was graphically made in "I think working hours is probably one of the biggest issues at the moment". The argument given was that it was related to two causes, "less people same volume of work" and a culture where "people need to be seen to be working late". I don't know why but the two have always been linked indeed a similar view was held in the late sixties when the strength of the Army's General Staff addressing requirements was similar in size to the military now left in the ECC area. There is a strong case to actually ban long working hours but that

would be impractical. Flexible working hours for staff officers are equally difficult to police and that only leaves the continued disparaging of the practise which one day may remove the practise as an acceptable behavioural norm.

The concept of simplifying less complex capability requirements is only loosely connected to reduced working hours but the advocate suggested that “we need to really review a lot of the lower level investment scrutiny because we end up taking years and years still to produce this equipment”. No matter how romantic this view might be, it does show that opportunities arise almost from the outset of a new process to look again at the bureaucracy and see if further streamlining can be introduced.

Greater openness

A common theme is summed up in “I think we need to be genuinely open and honest with each other and I think again it's this business of hierarchies and if we are not careful we will continue to operate in a stratified rather than holistic way”.

Another believer in change suggested that “ people getting off their backsides and going to talk to each other rather than using the e-mail or writing letters and memos” would do much to improve morale and team spirit

There were a few who felt that “ there should be some greater effort to actually reward or recognise achievement and punish failure”, another drew my attention to the dismissal of at least one inadequate IPTL. The key belief being that such measure would help to “ motivate people” and “encourage people to strive to excel”. The difficulty remains of any reward scheme as being seen as divisive by the military and for the vast majority recognition both formally in their reports and informally by their superiors on ‘walk about’ would suffice.

There was a view that “this building operates in two halves. “There's the one stars and above who operate in their own discrete world which bears no relationship to reality” and might even be a “synthetic environment” and then there's “the rest of the world who actually carry on working”. Then there are the “good people in the registries and everyone else who really actually run the world and keep things moving”. He felt there was often a “disconnect as a result of these two if not three separate orbits”. Marx and Engels fed off similar views hypothesising about the “have and have- nots” the “oppressors and oppressed”. What should be recognised are the separate functions of CMs, DEC's and desk officers and the inter-relationships within the hierarchy. There was a strong view that, in the longer term, wisdom of procurement business should be increased in all quarters by the creation of an

Acquisition stream and that shared education should help SPI by removing any knowledge barriers that currently exist between management and practitioners.

There was a belief that people were so immersed in initiatives like IIP that they forgot their “basic management skills”. Within the skill set was “know your people at all levels, know them as people as far as you can, and simply be seen and communicate with them on a regular basis.” Apparently, as “the workload of the one stars and above gets ever more frantic they do not have time to actually do those things”. If another initiative /revolution is to be averted this cry should be heard.

There was a particularly interesting and pragmatic view offered on the apparent reticence of some to allow empowerment to be practised. He believed that “I have effectively been empowered” as he had “just been left to get on with it”. As a result he had not spent valuable time in often-nugatory sideways briefing. Instead he had been “trusted to seek advice from my seniors when I think I need it”. He proudly acclaimed that “one project is now slightly ahead of schedule albeit it is only 7 months into its life”. One of the benefits of this behaviour was the “freeing up of more senior people to attend to higher level issues that is rightly their business”. He fully accepted that “in reality its depends on the relationships between the various human beings in the chain of command, their previous experience, the complexity of the programme”. He also recognised that it would not always be appropriate but “there is still no harm in having a goal to aim for”. This vision of empowerment is possibly closer to reality than the concept of total empowerment, which includes the ability to flex funds. A status that is unlikely to arise until the core bureaucratic issues of the Vote system and the carrying forward of funds are addressed and until that time the whole issue of empowerment is likely to frustrate.

The most radical way of removing inter service rivalry was to “actually get rid of most of the military staff and have them as advisors” and instead employ “civilians who understood commerce and business management”. This was only a short-term solution as with time and training the military could gain the requisite skills and regain their responsibilities. There was a strong view that people entering the EC community should be inculcated into the culture in their pre training and perhaps this would save the enormous recruiting expense of the previous proposal.

Savings

Other initiatives to improve SPI included getting “the processes finalised so they have time to bed in”. The system could then be effectively assessed by analysing the practicalities of the process and feeding that data in to some synthetic model in order to optimise the process. Concern remained that savings made so early in a change process were “premature and possibly none cost effective because

the knowledge of the process is so limited". Such basic issues of whether "new tasks take up more or less time and effort" had yet to be determined and until they were resolved there was significant risk associated with efficiency measures.

Objective 7 was to establish any sub cultural attitudes, values and behaviour and identify ways to harmonise them

If sub-cultures exist within the ECC what way would you attempt to harmonise them?

The key themes emanating from the interviews were: do nothing and allow processes to develop; pay more attention to team maintenance; enhance CWGs; or pay greater heed to adopting best practise or process.

Do nothing

Sub cultures were seen to provide benefits to a system. "I think they bring their own perspectives which may mean that just more discussions may take place within the environment" whereas previously "perhaps they did not happen at least not in public." There were others who agreed with the sentiment that "opposing sub-cultures within a larger entity was not necessarily a bad thing". Others felt that sub cultures could be "quite creative and dare I say even dynamic provided people don't start getting entrenched". The most glaring difference identified was that between the military and scientists but the presence and meeting of "two totally different mindsets" "can throw out a better solution than one mind set".

I was taken by the reference to the dynamic environment often shared by sub cultures as "It's like if I live in a sterile environment I have some problems when I get ill, whereas if you have a certain amount of infection going around then you become more resilient".

Across the piece there was a general consensus that sub cultures were valuable and moreover that it was almost impossible to eradicate them. The only way forward was therefor to harmonise them and by so doing create some form of synergistic effect. There was also a common view that having DEC's and their staff fully embedded and collocated did much to harmonise culture and constant reference was made to this logic leading to collocation of all IPT members.

Team maintenance

Many felt there had been a reduction in effort devoted to team building post the breakthrough process, which was conducted from February to April. During that period they “were having regular meetings about once every three weeks and that communication was good.” But since then “there seems to have been the culture, seems to have reversed” in that they are not colocated and “we don’t have those regular meetings anymore. We can go for weeks and perhaps months of not actually seeing each other”. This had resulted in what one interviewee referred to as a reliance on an “e-mail culture whereby everyone does all their business by E-mail rather than regular meetings”. They were not advocating meetings for meeting sake but rather “a short one or two hour meeting every couple of weeks or so just to keep people abreast of the situation. And that way the DEC could then distribute information and direction.”

The concept of away days was also put forward as a way of educating people and thereby creating a common understanding. There was no need to stay in luxury hotels as happened in the break through process. Instead it was proposed that any conference room divorced from the office would suffice and thereby not accrue significant operating costs: which appeared to be one cause for a reduction in team activity.

Others thought it necessary to state that “Harmonising them (Sub group cultures) really can only come from top down initiatives” and accepted that these were happening but everybody is “still too busy doing the day job to worry about all these initiatives”. This view was re-enforced by the comment “There is not a team-working ethos that I have found and I suspect that is because we are all too busy”. But it was recognised that “we need to work better as teams”. There was a view that in the old days the desk officers worked almost in isolation and did not share findings with others. Whereas now “we need to share our work out more, try to work more closely together, we’re trying to work more coherently” and “CWGs were a feature of this concept”.

One of the difficulties during a transition period is the legacy systems and the advocate who won’t and don’t change. As one respondent commented “I wouldn’t say they are destructive ...but there are some cases where people have brought their past focus on and are not willing to actually give up or prepare to see their past challenged”. There were others who felt that “the New World may not always be a better world” and that the baby should not be thrown out with the bath water. I agree with the sentiment that “people need to have their horizons broadened and consider past as well as present practise” when contemplating future processes or capability.

An isolated but nevertheless interesting view proposed that “Scrutiny areas should be more integrated with CM areas to prevent old and antagonistic cultures re- forming”.

Well only one key scrutiny area lives outside the EC area: the scientific scrutineers. I would have some difficulty with creating a “comfy” particularly as the scientific community have a special role. Their advice to EAC should be viewed as objective and cover most aspects of the business case. They could not be tarnished with satisfying self-fulfilling prophecies. However, it is clear that their behaviour and attitudes are not in harmony with those responsible for delivering the business case and perhaps this issue needs to be discussed and resolved quickly.

Adopting best practise or process

One of the principle ways of unifying culture was to share best practice and here they had in mind that “we need to be aware of how practice is to simulate it”. On a similar vein there were those who advocated the promulgation of this knowledge through discussions around “sharing of experiences”. Within the EC area “learning from experience seminars have been going on, have been quite useful but maybe they could be on a lower level as well”. So the principle has been applied but perhaps their regularity and composition should be reviewed.

Enhance CWGs

There was a strong view that people still turned up to CWG meetings “with the old culture that they will turn up and say their bit and then disappear again”. So revealing a continuance of an individual rather than corporate or harmonised culture that DEC’s are trying to instil. Cultures whereby all parties are committed and sign up to the CWG’s findings and follow that single course. Another difficulty faced by a CWG is dealing with an enabling capability like communications, in that their “team is everybody really including all other DEC’s as we facilitate capability as well as provide it”. I believe this is referred to as a core CWG. Like other aspects of CWGs this “had not been thrashed out yet as to how the core CWGs are going to work properly”. The danger being that some people could spend a tour in the MOD moving from one CWG to another. This happened in the previous regime with core expertise like the NBC team who were required to attend most requirements and OA meetings, although as might be expected cross pollination did occur.

Another associated issue was the size of CWGs and the warning appeared to be that “if you are not careful your team will get too big and its not a team any more its just a large collection of people”. In such a situation it is difficult to maintain the core principles of “burden sharing and taking on responsibility”. Some of the meetings in MOD were completely fraught and fruitless because of the numbers involved. For example the first Synthetic Environment Applications Group that I chaired had well over 60 representatives present and at best only ten people made a verbal contribution.

I believe it is accepted that “the whole reason for having stakeholder groups is because different stakeholders bring qualities, perspectives and issues to the table and you hope at the end of it a fairly rounded product will emerge”. As the CWGs were still embryonic it was not surprising that a strong body of opinion proposed that the “ CWG concept needs to be matured further to ensure that the very best practise is put in place”.

A related issue was the devaluation of the CWG concept by the rapprochement in “trying to keep Customer 2 happy but at the same time staying pure and delivering capability”. There is a strong financial case to remain pure but “the strength of the single service cultures remains pervasive.” BoI tools would remove some of the single service influence.

The idea of maintaining a single service culture was not condemned by all recognising that particularly younger people would have little other experience to call upon. An important principle was that at “DEC level people are broad minded” and that the recruiting pool should be widened “if DEC’s become too immersed in their own service”. Another way of improving the CWGs and harmonising cultures was then identified; namely to compete DEC posts. As stated previously, this has merit only when the “best person” principle is applied.

DPA

Objective 1 addressed the level of belief in SPI

What is your view of the Smart Procurement Initiative?

General

The macro views offered on this wide topic fell into four distinct themes. Only a tiny minority fell into the, “Doubting Thomas” category and wanted further evidence before committing themselves fully to the merits of SPI. There were a number who confirmed the need but remained cynical regarding some

aspects of the initiative. There were others who recognised the need but were concerned about some aspects of SPI and the vast majority was unequivocal in their support of the overall aims of SPI. Let me start by addressing the minority views first.

Doubting Thomas

I have some sympathy with a view that an initiative should run its course and demonstrate the projected benefits before swearing an allegiance to it and this was the position adopted by this pair of mature respondents. One felt that "Anything that saves the tax payer money has got to be good but you have to question whether or not it will". Then went on to suggest that it was "Unproven in my opinion so far". In a similar vein another believed that "I am to be persuaded and will take some persuasion that it will bring the benefits which have been heralded so far". After further questioning it became apparent that all respondents agreed in principle with the theory underpinning SPI.

Confirmed need with some cynicism

Many words were used to describe the need for the initiative and "necessary" and an "unacceptable" old procurement system provide a flavour while I focus on the factors which generated varying degrees of cynicism. There was a view that all NAO and external criticism of the old regime was aimed at the MOD without due recognition of the part played by industry. "What I find curious in this SPI is that if you were to get a builder into your house, or someone to fix your car and they got it wrong, I doubt you would pillory yourself with your poor performance in selecting that builder". He went on to state that "We build nothing, we only set the parameters of cost and performance that we expect from British industry". Perhaps the respondent forgot that historically setting the cost and performance parameters was conducted in-house with little attention being paid to commercial views. Another found it "a rather curious commercial arrangement that you blame the customer for the delivery of these things rather than the supplier".

Others were impressed with the concept of empowerment but wondered "whether or not that is an excuse just to remove a layer of management. Certainly there seems to be a lot less grade 5s or grade 3s around." A similar view was expressed when referring to "the people lower down are going to get a bit more empowered, but they are doing more work but for the same money, more or less". Less cynical marks were made about the IPTLs being told to get on with the job and what they are finding "is that from CDP downwards, the hierarchy still wants to look at everything and still wants to approve the things that are controversial which nowadays is 85% of the things that we procure anyway, and so there's still that time delay before you can go to procurement". This practise should be refined further if bureaucracy is not to reduce the SPI to a distant memory.

Another interviewee had held an appointment in the Executive Board outer office and had been transferred to an IPT. His observation from both viewpoints is interesting. At the Executive Board level "it was all very positive, what was coming up from the Team Leaders". Within the IPT "its not quite the same positive message" but he went on to speculate that "Team Leaders are expected to pass up to the board that it is working", because "I don't think they're viewed as being good Team Leaders if they don't pass on that message". I won't speculate further other than to refer back to the OCI Conventional culture, which is descriptive of organisations that are conservative, traditional, and bureaucratically controlled. One of the characteristics of members of these organisations is to "tell people different things to avoid conflict"³⁹⁰.

Another sub theme was the theoretical dimension of SPI. Here the "theory of doing things better is obviously a good idea but I think an awful lot of emphasis was put on the theory and certainly in my area, very little, if anything was done, at looking at the how it could be done". In this instance the remark emanated from a Support Group and often I was confronted by a "them and us" relationship regarding IPTs and Support Groups.

A similar remark emanated from an IPT member who felt that "Smart Procurement was implemented, or put through, very quickly without all the dots and tee's being dotted and crossed". An example given by another being the "lack of thorough thought that went into incremental acquisition" recognising that "In principal it is a good idea." Another IPT member felt that "In principle I am sure it is a very good idea but I'm not sure that the people at the top really understand what is involved way down the bottom of the chain in making it all happen."

Confirmed need with concerns

SPI was also seen as a good way "to modernise something that was slowly grinding into a sort of stalemate, it was not going anywhere". A clear warning was also given regarding new processes and that was to recognise that "good traditions are still valuable" even when you have "to keep up with the world". I interpreted this remark as don't throw the baby out with the bath water.

A number of people believed that the DPA was attempting in SPI to adopt a more commercial mantle and "be more like the people we deal with on a day to day basis". Some felt this was almost an impossible task believing that "The MOD is a dinosaur, it is so far away from the way commerce operates, it's a joke". Others were more sympathetic believing "our cultures are so completely different, that what works in industry doesn't necessarily work for the DPA, although I don't believe it is a bad thing if we can get on a better level footing". The concept of the DPA sharing a similar culture

to a profit orientated body like industry is derisory. However, through closer co-operation a better understanding and relationship should develop, which over time should assist in delivering key SPI goals.

Most recognised that the real challenge lay in implementation and some were concerned that the necessary strong leadership that was required would be lacking. Lacking because “Some senior managers were not totally committed to the process.” Perhaps it is because the senior management would have experienced a history involving “changes, big and small, where they went in on a wave and then to a certain extent were forgotten about”. The positive message that needs to be broadcast has to “overcome that negative view that we are always changing so it is just another change”. If the prejudiced are not converted then one route open to establish a strong culture is to remove them as per a rotten apple.

One area of concern that was raised was how could you demonstrate that capability was better. It was relatively easy to demonstrate cost and time goals “but they could both be achieved at the expense of the product”. This concept links in with a view that incremental acquisition could be used as an excuse for lower quality products (often OTS) being accepted into service with final needs being met through a cream tomorrow policy. Many measurement criteria will remain subjective and so even with close co-operation it won’t be until close to acceptance that industry provides a truly clear understanding of the capability achieved.

Confirmed need

A fundamental reason for change was the reality that the “feedback we were getting on equipment was that it was not working properly” and as a result “We were always having to over maintain”. This manifested itself in “observations of disappointment” from the customers. SPI satisfied “an ambition to actually do better”.

Some believed it is “a packaging in a coherent way, of all the initiatives that have been underway within the whole of the acquisition, all the best that has been done in bit packets here and there has been collated together and converted into this thing that is SPI”. A combination of best practises within the DPA and “layered on top of that is a patina of what is being done in industry and in other DPA areas, particular in the US”. Most believed that as a result of this construction, the “only novelty is in some of the marketing, some of the terminology” and some of the packaging.

The introduction of IPTs was also seen as key as it “improved the way that we work as a team and has brought the previously disparate technical, F&S and contracts people together” from within the DPA, and RMs and Industry add further texture to the mix.

Some saw the empowerment of “teams to play to win, almost encouraging people to throw away the rule book and do things a lot quicker”. “It gives us more ability to use our lateral thinking, our initiative to come up with a solution as opposed to being given a solution and told to get on with it”. That “freedom has motivated people, so I think the actual concept is very positive”. The SPI was seen as a catalyst for teams to “continually challenge themselves and to strive to do better in a variety of ways.” People were less positive on how realistic it was, and one suggested that “we are going to have to wait for a generation of both procurers and industry before we get the full benefits of it”. I tend to agree that SPI is not a short-term exercise.

Another well-received dimension of SPI was the concept of sharing. “Particularly looking at stakeholders” and “the way that we now look at ourselves not in isolation but as actually sharing our knowledge and sharing skills within industry and Customer 1 and Customer 2s”. This is “particularly important and it’s quite refreshing to actually see it in practice”.

Were you involved in the development of the SPI process?

It should be noted that a small internal Smart Procurement Team was established within the PE centre that worked in concert with the external consultants McKinsey. The consultants to identify current practise, concerns, strengths and shape the way forward used questionnaires and interviews. The internal team also sought a broad spectrum of MOD views on how the procurement process could best develop. Little feedback was given to individuals but a concerted effort was made to pass resulting decisions to all PE members and was also presented to Ministers for their general approval. Both McKinsey and the internal team reported direct to CDP and the Procurement Board was rarely engaged in the development of SPI. As might be expected, there were a number of interviewees who were not involved in the procurement process at the time of SPI development. Responses fell into three general themes. Not involved and no concern, not involved and concerned and involved to varying degrees.

Not involved and no concern

Many of the interviewees, especially amongst the military, were not part of the procurement process at the time of SPI development. Others thought there was benefit in only marginal involvement, which for most was “when we had the questionnaires”. Some felt that they “needed the impetus” and that would only be achieved by a “big bang from the top”. This same group was content that primarily

external consultants conducted the analysis because it needed an objective view and the “Game keeper come poacher approach” simply would not have been effective. Now a process has been defined there was a body that felt that “you can learn from the experience and that’s what if you like, we are able to do now”.

There was another view that did not feel jaundiced because they were not involved in any depth in SPI development even though some were well educated and had over a decade’s experience of procurement. They felt that “There are probably other people wiser and better and more experienced. No you cannot consult everybody”. Others felt that “people have been in so long that they have become institutionalised”.

Not involved and concerned

A small minority felt removed from the formulation of the SPI and in the process treated with a degree of disdain as shown in the following remarks, “ we have been told this is the way ahead” and “ told to get on with it.” “It’s been like a receive mode basically”. “I wasn’t involved at all. I was a mere recipient of it”. Although their attitude might not be conducive to change it is quite normal not to involve the workforce in determining strategic initiatives and leave that task firmly in the bailiwick of the Chief Executive, his Board members and consultants (both internal and external). However, it is quite easy to sympathise with the view that “ some kind of consultation” would have been helpful to all parties.

A cynic made one of my favourite remarks “I think to be honest, it happened all so quickly that the views of staff weren’t really sought that much”. He went on to say “I can always remember that there was a minister that once said ‘we’ve got smart missiles and why can’t we have smart procurement?’ and then the next day one of the missiles that was supposed to go in Iraq went into Iran or somewhere.” I included this comment for its humour content rather than any shared vision.

Involved to varying degrees

On senior manager, who was heavily involved from the customer perspective and worked alongside his PE and PAO colleagues in Smart Procurement study teams, felt that he had influenced the SPI. He went on to propose that “but I have to say I think a lot of Smart Procurement is actually what we put into it, i.e. the department put into it.” He believed that “There is no doubt that there is an element of what McKinsey consider is best practise in SPI but in reality that was gleaned from their observation of our best practice” in a number of areas “like partnering and gain share”. What was unique to McKinsey was their perception of “customer 1 and customer 2”. However, they were attempting to

“reflect what they saw in industry - clear customer, clear supply, clear relationships between parties, they were trying to articulate that, and import it into Defence”. Although accepting that this was the normal approach of consultants it was noted that there was “no direct correlation between the businesses, so it wasn't wholly coherent what they were trying to achieve”. In some respects the argument is valid. However, it is doubtful whether any other national government department has a similar problem with procurement and so there is no precedent other than that which can be taken from foreign or in-house defence procurement practise or which can be translated from the commercial market place.

Another respondent was working in a PE Business Unit. His Director General set up a Business Improvement Process Group of which he was a member, and “through that process we looked at what was coming out of the Smart Procurement team, commented and fed some of that back”. He went on to observe “Whether they ever took any note of what we said I don't know because we did not get any feedback”, which is surprising as the DG was a Procurement Board member.

Another interviewee confirmed that not all the processes were in place at the declaration of SPI. He was actively involved in reforming “the DPA personnel function and the range of services which personnel supplies Smart Procurement and chief amongst that has been the method of assessment and selection of integrated quality in leaders which is very different from previous selection processes”. As an aside, old practise must have been employed to select the initial tranche of IPTLs, whereas the future is likely to entail “more of an assessment centre”. Another was working on ASPECT, which is the PE Corporate Computer System, and kept in touch because as the SPI processes unfolded “so we had to ensure that the IT underpinned those processes”, and “particularly how we were going to share information from ourselves to the DLO and Customers”. Thought was also required for new training regime, which was required to ensure that people could realise the full potential of the IT. Another focused on “changed organisational structures resulting from SPI”. Specifically “how to deal with various issues which would arise from taking away a complete management layer: regularity; propriety and letters of delegation and the like”. It was quite noticeable that those involved in some way in the SPI development process spoke with some degree of pride and showed commitment to the process.

Some members of the DPA were employed after training as internal consultants to assist in the breakthrough process. One of them saw breakthrough as being “key to the DPA's change culture process”.

What is novel about the Smart Procurement Initiative?

Four generic themes fall out of the interviews. Plagiarism and that normally refers to a lack of originality of thought rather than application. The change from equipment to a capability orientated focus. The new order and its new relationships, and finally to new, more efficient processes and empowerment.

Plagiarism

Many of the interviewees started off answering this question with a response similar to "I don't believe any of them are novel" and only moved from this position after further discussion. The largest degree of original thought was attributed to the US and reference was made to their acquisition reform, "if you look at the US government sites, particularly the GAO ones, it is something which the Americans introduced under the banner of affordability". He further refined his view by stating "it is not something which is entrenched in the British procurement cycle so it is novel in that respect".

This theme was echoed and qualified, "I think there are things that we should have been doing years ago, and there's also things that were being done years ago, that they've just introduced". An excellent example was given of a prime SPI tenet: partnering. "About ten years ago the Director of Ammunition, had agreed a multi -year bye with Royal Ordnance to get them to reduce their prices and bring them more into line with the market place in general". He further suggested that "Smart Procurement is nothing new, it's just under a different name really".

Another protagonist in this field opined "I don't think we are doing anything that is not accepted intelligent practice in other industries. So I wouldn't say we had anything that was a unique selling point or you know, a unique system. However he too felt that as far as the MOD was concerned it was a "change of approach" and therefore could be perceived as novel.

One contract officer was not impressed with the novelty of IPTs believing that apart from physically relocating, "I did not think that there was anything that precluded us from having a closer working relationship with everyone in IPT that we have now". Others thought that they "had team builders before, we had team goals, we had objectives - it was all there before". Perhaps at that time they had not enjoyed the constant presence of the RM.

Then there was the philosopher who suggested that "it's like any significant change, it probably a novelty to start with "as with it comes a baggage of new titles, aims, and buzz words like "faster,

quicker, cheaper". IPTs were readily recognised in industry and in the likes of hotels and other service industries "they are all terribly customer focused".

His real concern lay with the consultants as "they're only regurgitating something that either that consultant firm has done somewhere else or is a slightly amended version that they have picked up from somebody else. It's not startlingly new." I won't belabour this view of consultants but it was shared by many.

The change from equipment to a capability orientated focus

The prime change in responsibility and activity is "the customer is nationally now focusing on capability rather than specifying the solution he wants" and it is down to the DPA to respond to that capability need. So the "novelty is there for us to come up with a variety of possible ways of meeting that need" rather than being driven down a particular equipment solution.

In this new process "there's the ambition that the DPA actually acts as a service provider for capability." Beforehand "the culture was transparently single service and replacement equipment orientated". So the novelty is, a combination of improved communications, a better definition of capability by a combination of Customer 1 and 2. This ultimately "enables us (IPTLs) to be more exact and more clear about what their demands is, which in turn will make us more exact and clear with industry, which is a major component of the supply chain orders". Where this concept will be tested is with incremental acquisition, which to some was novel. The idea of "being able to agree with the customer and the users that one doesn't have to have all of their aspirations from day one" involves trade -off and could lead to tension.

In a similar vein, there was the identification of "a capability gap without solutionising and allowing many brains to come up with a solution as opposed to a few." It was further explained that "solutionising took place outside the initial stages and allowed more brains to focus their energy on the capability gap, as opposed to a few brains coming up with a solution." The reference here being to the Downey era where a replacement mentality ruled and drove a lonely desk officer to construct a requirement with DERA's advice in isolation both from industry and often the end user.

The new order and its new relationships

The underlying principle behind the new relationship with industry is encapsulated in "In a sense we are moving away from a culture, which has been very much to keep industry at arms length." Instead, there is a "move towards more open working with industry - this concept of partnering is something which I have tried as a project manager in my last post". This concept was elaborated further "The

idea of actually working alongside industry, understanding how they are putting the programme together and trying to contribute constructively rather than waiting for something to turn up and then seeking retribution.” One of the benefits associated with this relationship would be “when difficulties arise you have a stronger relationship that can get you through them”.

“It may be early days but the response from industry has not been as dramatic as anticipated”. A common theme was “there’s not enough industry people in the IPTs. I think there is only one industry IPTL”. Similarly, “I don’t see many people going into industry and creating in effect a joint IPT where part of it is in industry and part of it is in Abbey Wood”. One IPTL contributed the following thoughts “Industry is obviously aware of SPI and the example I gave in our breakthrough process and our three star review compared two numbers”. The two numbers reflected on the number of times phone calls from industry or delegations were received compared to how many times IPT members travelled to industry and explained SPI as a practical concept. “I suspect there is a bit of an in-balance of numbers”. The second issue with communications was, was the message percolating down to the “project engineers, the design people, because if you are going to get smart, those guys have got many of the good ideas”. Experience would suggest that primarily marketeers and senior management owned knowledge of SPI ideals. This situation was common during my period in office when the transmission of ideas to industry rarely flowed beyond attendees even though six or seven could come from the same company. Perhaps this phenomenon can be attributed to an organisational power culture where the benefits of knowledge ownership were extolled.

One of the problems recognised in the association was “competition and working together” and no solution was offered. The relationship was seen as less fraught “once you have actually down selected to a single partner”. In some respects there is a difference in motivation, industry being profit orientated, DPA’s to field capability, which offers “best value for the money”. Notwithstanding that divide there is some commonality in aims: “they fail as we fail if we don’t get something into service that works, because that company’s reputation is on the line and future MOD orders are on the line”. And it was these areas of commonality rather than difference that “you need to work on”. One aspect of openness that was seen as particularly beneficial was the opening of the Pandora’s box of finance: sharing pricing and whole life cost details in an effort to arrive at innovative solutions “to actually save money, which is certainly a cultural change.” The openness of inviting companies “to our meetings, internal meetings, telling them about budgets and the way that we are looking ahead” were also viewed as a culture change for the better.

Another respondent saw the “the most useful introduction of all as that of the central customer, customer 1 (at the time a debate still ensued regarding customer 2) has stopped DPA projects being project orientated and made them customer’s projects. This was re-emphasised in the view that

“overwhelmingly Smart Procurement has made it clear, this is the customer's project, you are delivering capability, not a sexy bit of kit you played with before”. Coming from a slightly different angle another respondent saw the process being based on taking people into account, “invest in people if you like but more”. The solution would see a dissolution of the “them and us” mentality through greater integration of work and working practises and bringing it together a little more”. It was recognised that the concept has a long way to go but it would be an archetypal foundation for many ideals embedded in SPI.

One respondent who acknowledged the benefits of fully integrated teams was concerned that they might become “absolutely blinkered” or isolated and ignores the value of expertise sitting in the Support Groups. He illustrated his point by stating that post a visit to US firings in Grafenwohr he became aware that no firing facilities had been identified for the Attack Helicopter using lasers. This was an issue that had not been identified by the IPT. Yet for many, “working within IPTs does give you a much better focus on what you are trying to do” although the feeling of team spirit appeared to be dependent on whether work was focused on one project or more and the resultant size of the team. Some teams were less than ten others plus of two hundred.

New, more efficient processes and empowerment

One area, which has to be viewed as novel from a DPA standpoint, is “the concentration on leadership training and change training”. This was also seen as a “prevalence of soft skills over and above functional engineering skills”. This phenomenon is not uncommon in organisational culture change but is unique in the annals of UK procurement history and could be key to SPI success.

Putting aside the themes of empowerment or total autonomy of the IPT L, one leader was encouraged by his ability to “test more fundamentally some of the processes that we go through”. “To really test to see if that is really the right way to do” such things as taking projects forward for approval or change the direction of some of the programmes. Others thought that “the empowerment of IPTs, in the sense that a lot of the red tape that we previously had in theory has been stripped away” provided the potential to test the processes and find innovative solutions. This flexibility was seen as providing “the ability to approach things in a more initiative based manner but having good foundation of rules on which to fall back”. The issue within any business process is to ensure that foundation rules don't grow with time and experience and stifle initiative.

Another area viewed as both novel and challenging for the DPA “is in the light of empowerment, partial empowerment at the moment, the loss of direction that the XDs, the two stars, now have: effectively the stripping out of the two -star layer”. IPTs, are rank ranged from Grade 7 to Grade 4,

with the norm lying around Grades 6 and 5, and they have no administrative or procurement support between them and CDP. As a result, there is no mechanism “to collate groups of like-minded IPTs in terms of their programmes and balance across the programmes for example, in terms of expenditure and resources”. “Essentially CDP has to do that across the whole of his range of IPTs and that is a significant business challenge certainly for the Chief Executive.”

The Executive Board’s roles include championing various excellence model initiatives, sections of industry, sectors of Defence, and areas of technology. “But what they are not doing is applying their influence and authority over the delivery and outputs”. This in the opinion of one Grade 5 “can certainly lead to a lack of corporate direction and a lack of coherent output”. Others saw this as “Removing seven or so two start stove pipes, that were called business units, and we have replaced them by somewhere around eighty DPA IPTs”. This was also seen as having “magnified the number of stove pipe communities. To balance the picture, a more junior respondent was “not convinced that the Executive Board is going to take its hands off sufficiently to let the IPT Leaders do what they’re allowed to do on paper (IPTL terms of reference).”

Delaying was also impacting on the quality of life of some interviewees. For example, although individual “signing powers have been increased” some felt that in removing a couple of the top layers that responsibility had been shunted downwards, but in that process the system failed to “really prepare them to take on that additional responsibility”. People “didn’t mind” and even “enjoyed additional responsibility” but “you still need guidance”. Otherwise there is a feeling of “sinking rather than swimming a lot of the time” or as it was also described “just fluffing around and you just don’t know what to do”. However, this might be only a teething problem as people “are not supposed to be quite so bound by our line management disciplines” but rather “break out” from the finance or technical culture and “work more as a team”. A team where “if something or someone is missing, somebody else comes in and helps out”.

What aspects of the SPI do you most believe in?

General

Analysis of the interviews revealed five general themes. There were those who at this stage were non-believers and they did not elaborate further. I have some sympathy with those who prefer hands on experience before converting as long as they allow initiatives a fair wind. Many were committed to the philosophy and specifically identified teamwork as envisaged in IPTs as key. There were those who

felt that working with industry was potentially rewarding and others who believed in the new found customer supplier arrangement.

Philosophy

Many believed it was “a good idea that they are going to bring the SPI system into being” as it “cannot stay as it was”. Others with less experience “believe in what it is trying to achieve”. They were those who were hedging their bets by “believing in the theory of it” but felt that “you have got to be able to give the people doing it, the tools to implement it”. Whilst others “believed most of it in principle” they too felt we were held bound by approvals, funding et al. Some also thought that we needed to “shake up the disciplines” and make people more multi disciplinary if the desired results are to be achieved with a dwindling workforce.

Others were less than convinced that the “very nice cheap slogan will actually get us there”, thinking that “naïve in the extreme”. But believed that should we be able to “move through the bureaucracy whilst still maintaining public accountability, SPI will have done its business”. Some were convinced by the slogan of “better, faster, cheaper” believing that all three could be achieved through greater use of initiative. One sceptic kindly left a warning that “I think it is too easy for people to get lost in the beauty of the concept.”

Teamwork

There was a strong belief “in the concept of IPTs” which, was described as “an all-inclusive team with all the stakeholders represented”. Coupled with the teamwork was the concept “of trying to hit targets, because you are going to have something to aim at”. Some saw meeting the “budget, on time and meeting most of the users' requirements” as the worthiest targets.

There was a shared belief that “there is more empowerment for leaders” and the main benefits were seen as a greater “degree of flexibility” and “a lot more responsibility”. Similarly, others believed in allowing IPT leaders to manage their business for which they and their teams are best suited.

There was also a belief that “it is very easy for that empowerment suddenly to disappear”, but that could be expected of any “evolutionary process”. “You don't let go of the reins all at once because the horse might harm itself” or as also described “the lunatics may take over the asylum”. There was a belief that “it is a confidence building exercise in terms of management in how much freedom they can give the individual IPTs to carry on and do their own thing and do it well”. Perhaps this is the sensible reason why the degree of empowerment has yet to be specified.

Carrying on with the IPT theme there was a belief in “the culture of ‘ideas generation’ and that whatever ideas one comes up with, there is an acknowledgement by the acquisition system that they're worthy of consideration and exploring if they do something for performance, cost, and time”. I interpret this concept as the need throughout the acquisition process for innovative thought which, should not be stifled even when it contravenes earlier plans. This continual search was referred to as the “culture to examine ideas regularly”.

A senior IPTL held the belief that MOD had “not dealt holistically with the systems engineering type of approach “. He laid the cause at the feet of the divers “way we have structured our equipment capability customer, procurement agency, logistics organisation, second customer, and other customers”. He then suggested that “the way we are implementing systems engineering needs some thought”. I too do not believe that MOD has adopted a classical systems engineering approach but it is only a methodology which perhaps is waiting for a clean sheet of paper and a new generation to implement it. That said, steps are being taken to master SRDs and URDs, which are part of the process. Moreover, in that activity the principle “of deliberately capturing through a stakeholder forum the systems and user requirements levels, and doing it in a structured fashion, recording it, providing the knowledge and audit trail, properly costing it, and understanding the acceptance criteria” have been adopted which, are steps in the right direction. .

Customer supplier relationship

It was believed that SPI provides a “frame work to provide a more coherent capability”. Wherein, “this capability trade off provides a balanced and coherent capability at the top/ strategic level across the services.” As a result “ there is a better chance of that cascading down to the types of equipment we will provide to enable that capability to be fulfilled. Others shared the belief that the prime function was “delivering the right equipment”.

The approach by the customer it was believed would “make the DPA, it actually tries to make us think more professionally” about “ what we are doing, and the standards, the approach”. Even the art of “ better recognising the Customer” was seen as being more professional. Moreover, that “integration between the customer and ourselves” helps to improve industry’s opinion of “our professional status”.

There was belief in the “customer supplier agreement” because they have “the potential to provide direction to the IPTs on what their customers want”; they also have the benefit of allowing both parties to agree targets which, they must both strive to achieve. However, one IPTL believed there was “ a ridiculous push from the top to produce these hard and stretched targets and team leaders are being

forced even when their natural experience and intuition tells them not to put it forward". This was seen as an exercise "that will produce egg on our faces in the next decade" and by then few IPT or Customer members would be around to feel the wrath.

Industry

An IPTL believed that eventually SPI should provide "close links with industry", which would encourage "more open talk and less rigid contracts". It was recognised that currently they were still savouring "technical, commercial and finance barriers". One respondent was so disgruntled with progress he related how as team leader he had "been told in competition when the bids come in I'm not allowed to see what the bids are until the technical decision has been made", that apparently is a commercial rule. The whole scenario appears to smack of an era when the freedom and shared information that IPTLs are supposed to enjoy did not exist.

Another benefit to industry is spending up to 15% of project funds prior to the Main Gate. This level of investment was strongly believed in, primarily because it should significantly reduce programme risk prior to commitment and contract let. One interviewee shared my concern that there was little evidence to demonstrate this level of financial commitment and so was "yet to be persuaded."

What aspects of SPI if any do you find negative?

General

Responses fell into four general themes which, varied from no negative views based on the belief that it was too early to formulate a view through to strong views about the inadequacies of the SPI process and structure. In between lay a disbelief in industry's commitment and that the whole Department was signed up to SPI.

Believers

Most people in this category felt that there was nothing "negative about it" and went on to identify concerns. One area of concern worthy of this analysis was related to the momentum of the change process. The IPT breakthrough activity was seen as involving "hell of a lot of work that went into all that, and I was quite enthusiastic to start with" and a year on these two activities "still seem separate". Moreover, there "is a lot of pressure to keep up to date, know what is going on" and this too was seen as "time consuming, a mind boggling thing really". That said, there was a definite view that "the momentum has slowed down quite a lot". There is a danger that the idea of change is entirely separate

from day to day activity and yet good leadership should, after an initial breakthrough experience, be able to use current activity as a vehicle to implement change. Brainstorming issues for example can be used effectively by any combination of people on any subject. I would admit that there is benefit in divorcing the team from the workplace occasionally to inspire team spirit but the subject matter can remain business related.

Reach of SPI

There was a belief that “SPI hasn't gone far enough within the Department”. It was thought that SPI “is still seen as a DPA initiative to improve the performance of the DPA”. To some it was not “seen, and certainly not acted upon, as a Departmental initiative”. The problem appeared to lie in Main Building but not with Customer 1 whose commitment was “unquestionable”. Areas that were identified included 2nd PUS area, in the CM divisions where there was not “a single thing that central personnel divisions have done towards Smart Procurement” and DUSF's area, which still maintained a conservative path. Similarly, there appeared to be “genuine sticking points in interpretation of SPI when you come to, one example, the scientific scrutiny”. It is easier to effect a change process and support an initiative when you are actively involved and it is your *raison d'être*. It is more difficult to grasp change when the function is but one aspect of the overall responsibility. That said such bodies as the SPI Implementation Team should ensure that all parties progress at a roughly similar pace otherwise the system is frustrated by the slowest convert.

There was a constant concern about the commitment of senior management. From the intangible but positive view that the “2 star and 3 star excuses as to why the great plans that they have, didn't quite, haven't quite sort of been worked out and haven't quite materialised as yet.” To the view that “there are some huge flaws in the communication of information at the top of the DPA and really they don't know what information they want and more importantly how, and in what format to receive that information”. As a result “there's still an awful lot of the old cultural reports, briefings, returns” being requested which results in duplication of effort. One observer noted that it was a “big problem culturally because people see the top as being a dinosaur” and “not working in the Smart way”. Ironically, “bosses tend to act as role models and their behaviour represents the approved way of behaving”³⁹¹.

It was believed that “in identifying a champion of through life support (TLS), we have not actually taken the necessary steps in the Department to enable that champion to champion”. A sympathy lay with CDL who it was thought “hasn't the wherewithal yet to really deliver coherent through life cost management”. “He is still challenged by CDP, there is still this challenge of UPC versus TLC”. There

is a view that SPI will deliver “a coherent cost capability. I.e. it will balance UPC and TLC and optimise”. However, although there is open agreement to the adoption of a balanced approach there will always be a propensity to find a cheap UPC solution when funds are limited.

There was a belief that within the DPA “the Support Groups” and the “more policy type areas” have “been slower off the mark”. Although this might have been designed, and the investment in their change process was significantly less than in IPTs, it “actually hasn't helped because they have been struggling to find what their role is in relation to us (IPTs)”. This has led to frustration and a certain degree of feeling of being second class DPA members that “still seem to be like they were 20 years ago”.

There was a belief that “there are still remnants of the old style floating around” within the overall procurement practise. One example given of “that old residual thought” was a view that “English has to be spot on correct before it can go out to ministers” perhaps delaying the decision process. I often recall that senior commentators dwelt on the quality of English rather than alter the argument perhaps because they felt that something had to be said. However, if the argument does not alter it could be argued that a significant amount of time was wasted but I always accepted that some form of balance was required and perhaps that balance is as yet not “quite right”.

Structure and process

There was a strongly held view that “within the mantra of SPI, the focus on cost savings both internally here and elsewhere within the MoD, seems to be the driver rather than necessarily improving system performance”. This was demonstrated “through the breakthrough process”, where “the determination was to identify how large sums of money could be saved from the exercise”. The continuation of this pursuit was seen as a “major counterproductive element of SPI”. It was recognised that “there must be value for money”, but if cutting costs, regardless of what the wider implications are becomes the driver, “then it will take away some of the enthusiasm that people here in the DPA and elsewhere have for the initiative”.

There was a general belief that there is a “risk when you bring in any change that you have got to do things differently no matter what. You have got to be seen to do things differently, even if you do not necessarily believe in them”. “Even though what we were doing might in itself have been smart like PFI”. Expressed slightly differently “There is a risk that we will try and dress things up as Smart merely to satisfy the doctrine rather than genuinely because it actually helps the customer out”. Two references to the bath water and baby syndrome. Some people believed that “people are going to be

disillusioned that certain ways of working are no longer de rigueur, whereas it maybe appropriate to do that". Other viewed SPI as "a threat to their job" as well as "a threat to the way that they currently do business". Believing perhaps "that they have been wrong before".

In part this misunderstanding was attributed to "the people at the top who have taken these decisions and have never, be they politicians or senior civil servants, done the jobs lower down the system and understood what is needed". An example given was the lack of understanding by them of current IT limitations and the impact they have subsequently on processes and the lack of thought on "how we go through the transitions stage properly".

There was also a concern that "Smart Procurement is being enshrined in perhaps a set of practices and procedures on the Acquisition Management System, so it has created a new rule book that one can't easily get around". This concept of working within rules was seen as part of "a culture of institutionalised fear", which was not seen as novel. Another dimension to this phenomenon was "an even greater desire for achievement against milestones, reporting, against projects that are themselves perhaps a little open." This was seen as a disconcerting as "one doesn't know quite where they are going to end up, yet they are all managed as if they were closed". This is after all the openness that underpins Systems Engineering.

There was a general view that little scientific evidence was used to set up the IPTs. "Some IPTs are under-staffed, some are over-staffed or might be". One insight provided evidence that some of "these Team Leaders are actually building little empires". His own team comprising two hundred and fifty staff replaced "a team of fifty here, and a team of a hundred at Didcot" and being "quite blunt really, one hundred and seventy could have done the same job if they'd been allowed to get on with it". It seems this arbitrary approach continues to apply when "someone from outside cuts back operating costs". An act, which places further doubt upon the promised IPTL empowerment and can result in both over stretch or reduction in privilege. Manifestations that also quickly lower morale when a team is conducting a change process as well as delivering normal service. I suppose it is a question of what you mean by negative.

The issue of resources led others to believe that "there must be some doubt about whether we are going to have the resources to deliver" both "in terms of quality of service and output". Moreover as there appeared to be so little understanding it was doubtful if future teams would be given appropriate resource.

Industry

Few believed in an “overnight relationship” springing up with industry. Rather they thought it would be a long time in gestation. One of the reasons given was the “mistrust, especially on the contractual side, between industry and the MoD”. Also it was believed that “people don’t get together early enough” and when they eventually do, “they find there is a lot of difference and stand off”. at best value This view was given added impetus by the strongly held belief that industry was not committed or deeply involved in SPI. The continued dichotomy of on the one hand “Government looking for money and the contractors looking at maximising profits” was unlikely to achieve SPI goals. This mismatch was also attributed to DPA’s attitude being partly negative because few could see how they could achieve “the same footing as a commercial enterprise, when we ourselves are not a commercial enterprise”.

Do you believe that SPI objectives of faster, better and cheaper can be met?

General

A key goal of SPI is trying within projects to balance the performance, time and cost, variables. The three key themes emanating from the interviews were associated with these main SPI objectives and the likelihood and timescale of achieving all three objectives was also addressed.

Faster

In a prepared statement addressing procurement in the 21st century, US Under Secretary of Defence for Acquisition and Technology, Paul G. Kaminski said “The military advantage goes to the nation, who has the best cycle time to capture technologies that are commercially available, incorporate them in weapon systems and get them fielded first”. I would suggest that “quicker” as expressed in SPI envisaged an environment where projects were not subject to delay, and the internal processes and those of industry working in concert were likely to allow the procurement process to deliver Kaminski’s dream. The interviewees shared these beliefs stating “With the fewer approvals and hopefully if we’re talking to industry more and the customer, Customer One and Customer Two, then faster should be the main objective that we achieve”. The wider and more structured dialogue “helps to remove the rework, the clarifications, that are necessary from when you start to develop your requirement to when you actually get it delivered.” The new Concept, Assessment, Development, Manufacture, In service, to Disposal (CADMID) cycle, and AMS were also seen as key to time saving. Also attractive were the concepts that “we can be more challenging of industry to keep to their targets. We can be more committed to the targets ourselves rather than just letting things drift along”. A malaise suffered by some PE and Systems staff in the past.

It should be recognised that there would be a problem if a project “were delivered faster than stipulated in the requirement because there is an issue of the kit to be replaced”, the training cycles and support costs, which Customer 2 would recognise under accrual accounting. So I think faster will be a key driver but in the context of achieving the stated and agreed fielding date rather than continuing the practise of over running.

Others agreed that speed should result from “contacting industry earlier in the procedure and therefore potential time delaying issues can be discussed probably lower down the chain” and be resolved. This inherently faster process also led “into cheaper, less time consuming activity”. However, there was a concern “that performance was given up for the faster and cheaper side of things.”

There was a common view that “industry would quite like to do things on time because it improves their cash flow and profits”. However, as in any fixed price regime industry would be alert to the significant additional profit that can be gleaned through customer “changes to the programme”. Change was not uncommon in old procurement practise and contributed to project delay. However, by having all interested MOD parties actively involved in requirement definition it is unlikely that changing requirements will be as prolific as perhaps it was.

Better

Better is a very difficult quality to achieve because once the SRD is produced there is a danger when exceeding those requirements that “they’ll say no peg it back down to what we asked for and can you make it cheaper?” There appears to be little value in creating a SRD if the document does not represent a cost and operationally effective way of delivering a capability.

It was assumed that “better is related to performance”. And that performance remains “inextricably linked to investment”. In an environment where, “investment and savings are mutually opposing” the biggest challenge was seen as “actually delivering better performance”. So there was a consensus which saw “that to deliver better performance and to do it faster and cheaper” would be “extremely difficult”.

Some of the most advanced technologies, as contained in intelligence gathering devices such as satellites and submarines, and GPS lie almost solely in the US bailiwick. To participate in these programmes takes a significant financial, time and personnel commitment over a protracted period and once involved it is difficult to terminate or have any significant control over the course followed. “You’ve got to buy their technology otherwise you’re trailing behind”. So in shared programmes particularly with US, we have little control over the cheapness of a programme or in some respects

when it will be delivered but that does not imply that we can afford to forego world leading technology.

It was also believed that “while the timing and costs might well improve, the performance runs a risk of deteriorating”, and part of that is because a lot of the “overhead expertise”, have been “actually lost in the great drive towards IPTs.” The issue is not that the expertise has truly vanished, although some expertise was lost in redundancy, rather the autonomy of IPTs might have introduced a xenophobic attitude within their ranks, which reduced wider DPA involvement. Here I am referring to Support Group and other IPTs and the vehicles for calling upon their experience which include Peer Groups and mentoring. Perhaps during their embryonic stages there is a natural tendency for IPTs to remain relatively isolated and self sufficient in an attempt to build up team spirit.

Cheaper

One respondent suggested that “if you put in accurate price when you ask for the money, you won’t get the money”. Instead people were sent away “to redo your costing and see if you can come in cheaper”, which when once achieved was signed up to by the Treasury. It was disappointing that such a mentality existed but the individual was working on a legacy system, which was therefore structured during an era of the practise described, which was known as “entryism”. This approach would be difficult to maintain in an era of more transparent accounting that should accompany systems engineering and industrial involvement.

There was an overarching view that the “emphasis and the centre of gravity is on the cost” and although there is “some degree of trading space between the three, inevitably the driver will still have his money in the safe”. There will be those “who appreciate the effort that goes in to achieving a more realistic time scale” and also in the trade off activity “customers will accept a reduction in initial capability if it is known that you can provide that capability incrementally”. There was a desire to save costs “but the money we have to achieve a programme is extremely tight”. So for some IPTs the aim “was to deliver the programme within budget.” An exercise that should be less difficult “if it is clear to industry that we have a limited fixed budget” then “they should be able to adapt to work within that”.

One of the major concerns regarding cost was the reliance on Commercial Off- The- Shelf (COTS) solutions which, are often modified into bespoke products to meet a specific military need and during that modification process costs escalate. In addition, accurate whole life cost predictions for COTS based systems are “impossible” and therefore flexibility in spend profiles will be required if COTS

based systems are to deliver optimum cost effectiveness³⁹². These two factors would suggest that when appropriate COTS should be adopted but without modification to ensure that the likelihood of cost growth is removed and that prior to taking up a COTS option the customer is aware of the flexibility in funding required to maintain the capability cost effectively.

There was a general concern that if “cheaper implies poorer quality” then that could be a risk not only to the services but also ultimately to the nation state. Ironically, a pacifist aired this national concern. However, there were others who believed that “if it comes with the same quality then you can say that if you get it cheaper then you have achieved something that is smart.”

The external influences such as pressure placed upon the customer and DPA to reduce programme costs was also viewed as disruptive. As one respondent put it, “it is great being given your Performance, Cost, Time (PCT) envelope and told to get on with it” but being asked a year later “to take 10% out of it having done all your negotiation” can significantly impact on the deliverable in terms of P, C or T. A similar scenario results when another “IPT has under-performed, gone over budget and you have to forgo some of your budget to bail out” a colleague. These dangers have not been removed by SPI although their likelihood should be reduced.

One of the challenges for an IPTL was “to identify headroom so that we can re-deploy resources, reinvest in areas where we are currently under-investing”. A one star IPTL suggested that the frailty of this exercise is “the moment you start to identify potential headroom, you lose it in savings” because the “IPTLs don't have the gift to re-deploy”. Once again this form of activity will deliver “a cheaper” solution but at the expense of “being able to deliver either the faster or the better” dimensions.

Balanced results and timescales

To some respondents there was a preference for the motto “Smarter, through better and quicker” for equipping the armed forces as it appeared to encapsulate the ideal of delivering “leading edge or smarter technology” which, was required to prosecute successfully modern warfare.

Some thought that balanced results would be forthcoming if SPI was given “long enough” to develop fully: and a minimum period of five years was seen as a reasonable gestation period. Failure of SPI was likely to occur when “people have been promised short-term gains, and if those short-term gains are not realised, other changes will be introduced before you see the benefits from this one”.

³⁹² Doctor Alexander Weiss, The use of COTS IT in Operational Defence Equipment.

The slightly cynical thought that SPI would bear fruit over time and then only if, post the successful breakthrough and implementation phases, “we ensure that all the new techniques and all the new working practices are still being done. It is completely new to everybody, you can't expect everyone just to pick it up instantly and run with it.” This concept of maintaining SPI momentum through a dedicated following of newly identified practise is one of the keys to success and is only likely to occur if an investment in people and their education is maintained. In addition, there was a strong belief that the quality and culture of the people would also impact on the timescale for successful SPI implementation. For some it could take up to a decade “for the old dinosaurs to go both from industry and some from the MOD, and for the new blood to become effective”. It was also believed that effectiveness would only come about “when you have people that are educated right from the start of their careers.” One of the reasons for this view was because “there are a lot of people who have such an ingrained approach to their particular roles and to their particular jobs, to ask them to make a complete change of attitudes and approaches is very difficult”. That said, others felt that “we have got some steady hands in the last third of their careers who have been genuinely caught up (in SPI), and are seeing the benefits of moving it forward. They're still cynical about the drivers behind it, but they can see the advantages.” The truth probably stands with a foot in both camps. There will be those so entrenched in Downey principles that they will find it difficult to change and others that can see the benefits of change albeit that they may not be convinced by the motives behind the change.

Others agreed with the view that “operating costs are the most frightening part of the whole of DPA business.” A comment that was based on the experience of an individual who had attended some of the PE meetings that addressed formally the issue of operating costs. He went on to suggest that “nobody seems to have a grip on operating costs, we really are not able to forecast. The difference between different areas is huge”. In the context of “faster, better and cheaper” the inability to resource IPTs effectively can lead to such a reduction in capability that the task can only be achieved in a slower timescale. The antithesis also applies and theoretically having an excess of resource could deliver early but even the largest IPTs felt they were under manned.

Objective 2 was to establish the key values being adopted or maintained as a result of SPI.

What aspects of SPI do you strongly agree with?

General

The themes emanating from the interviewees' responses centred on the general tenets of SPI namely faster, better and cheaper, the introduction of IPTs and Customers, and the benefits of new processes.

Key SPI Tenets

The vast majority agreed with the key tenets of SPI and saw benefit in “trying to get SPI into our culture” which, in turn was seen as introducing SPI into our “schemes and daily lives”. Further definition of the desired activity included “trying to find that stretch in project dimensions”. The needs to “go and search, and the ethos they are trying to inject into us, to try and do that” were also seen as important motivators. The move from a “culture of overspending and not checking things properly” was seen as a generic weakness of the Civil Service and the Public Service in general, as was an attitude where “its do what you can, but you are not pushed terribly hard”. Whereas, SPI should “make people think more clearly about what they do, about what they are wasting their time on, what they are going to do because they have got less time and less money and less resources to do it”. The change in emphasis is “on focusing attention more” and this was seen as being no different to what would be expected of civil companies. They after all are also required to be “more professional and think seriously about what we're doing, and why they 're doing it.”

Another key attraction of SPI was “ the whole concept of trying to improve the way we do things”. The way forward seemed by many to be “ a more modern approach and it gets rid of ways of working that are maybe antiquated in today's industry and in the way commercial companies work”. One of the strongest indicators that MOD was adopting a commercial vision was manifested in the “ Belief in the basic concept as it supports user goals” (namely the customers) and the adoption of customer supplier relationships.

It was agreed that one of the characteristics of past performance was the sort of equivocation or lack of decision, which attends much of what we do in the public sector”. However, it was believed that this should “be driven out is probably too hopeful - but certainly should be tackled by the Smart Procurement culture”. Following on with this theme there was “agreement with the focus on improving performance, continuing improving performance” which in turn demanded a holistic approach supported by a constant investment in people. An environment in which “radical thinking is encouraged, and that people are made to think off the wall in order that some benefit will come.” In some respects this new thought process can be seen as little more than a ruse to remove staff from the “ticking along nicely” or “rest on your laurels” mentality.

There was a high level of agreement with the general concept of faster, better, and cheaper from both a shared tax payers point of view and from an angle which believed that the customer should be better served by “equipment that when it arrives with the user works”. Because as another respondent commentated “you just have to look at performance” to realise that the old service was inadequate. Another issue raised was the need for a better understanding of “value management” The example

used to illustrate the point was a recent reticence to “upgrade, from Windows 97 to Windows 2000 because it costs £3,000”. However, by not upgrading “inter-operability was crippled between two nations”.

Teamwork/ IPTs/ Customer

Many agreed with “The customer regime that was being established in the EC area” particularly as during the process much emphasis has been placed on “defining the customer style relationships much more clearly”. This fell into a wider theme of “improving the communication with all those that have an impact on what you do”.

There was a general consensus that a concerted effort was being made to “get more of a team culture”, indeed some felt that the move to Abbeywood had provided the physical presence that would “foster a team culture” by allowing team members to discuss issues frankly and resolve them immediately. Moreover, the formation of IPTs advanced the team building exercise significantly particularly as it “actually flows down responsibility to the team” whereas in the past management “tended to be restricting the free flow of work and information”. One of the issues with empowerment was the identification of operating parameters. Approval has to be sought when “it’s contentious or political” and “then it has to be referred to the hierarchy”. As some “85% of things that we buy are normally contentious or political” it means that IPTs are not operating autonomously for most of their business. Empowering people had the added benefit of “cutting out the bureaucracy” entailed in “having to refer it up through all those layers”.

The changes made in DPA’s internal organisation were seen as “devolving a certain level of accountability and also providing identifiable people who are accountable for their projects.” People “can no longer disappear into the big amorphous mass of the DPA”. The new order comprised “figure heads, we’ve got leaders, we’ve got role models, we’ve got you know, a central point and that’s worked at that (IPTL) level”. One interviewee felt that some of the status and focus should be devolved down even further particularly within larger IPTs, which were too large for one person to manage alone. Thereby achieving a “dynamic presence within their own sub-groups within the IPTs”.

People enjoyed the “IPT ethos” where teams felt “we are all there to achieve the end result”. The goal of meeting targets was dependent on “explaining very clearly those targets to the rest of your team.” Success for the team was very dependent upon the person at the “helm, being very good at drawing all those people together”. The person elected for that task was the IPTL and in that process a new “freedom to meet the customer’s capability requirement” had been acquired. It was “strongly agreed that the IPT should possess the skills and manpower to “do everything that the supplier has to do” and

in a similar vein ensure that “the customer is able to do everything that he needs to do, so ensuring that “between them they are totally equipped to triumph”.

The improved performance anticipated “through team work and through leadership, through communication” also attracted concern. It was suggested that during the MOD’s IIP exercise, where most organisations proclaimed it was nothing novel indeed had practised it for decades, many people only achieved IIP status by “the skin of their teeth”. The concern aired being that when “you apply an external template to something which we say we are doing, we shall fall flat on our face” unless a considerable effort continues to be invested in the transformation.

The potential benefits of improved relationships with industry were also agreed. Early involvement with industry could be fruitful as it “helps get a better picture early on in the programme,” and issues can then be resolved with less antagonism and publicity and probably faster.

Process

There was agreement that there was merit in “reducing the number of approval steps and spending a bit more money up front” although they were not seen as novel steps. However, although the call for greater spend early on in a programme had been endorsed in principle for many years, little concrete evidence of it happening was to hand. I would only comment that the investment in the joint UK/US Future Combat Aircraft programme could be seen as breaking that mould. It could also be seen as fostering Anglo American relationships or attempting to achieve leading edge technology through an economy of scale.

Only one person failed to agree to any aspect of SPI and being of a generous nature I attribute that to a very short period in office in the procurement environment.

What, if any, aspects of SPI would you wish to see changed because you don't agree with them?

General

The main themes falling out of this question were associated with structure, operating costs, culture change itself and satisfaction. A significant element thought that time had really not allowed many of the SPI concepts to fully develop and in those circumstances were not prepared to make early negative judgements.

Structure

There was a strong disagreement with the split between DPA and DLO. Summed up quite succinctly as “ You cannot hand a project across and say, right over to you matey-boy, it is now in service.” Reference was made to the iceberg analogy of UPCE and significant hidden WLC, saying “you can easily - we have all done it - sweep so much under the carpet and when you hand it across, you just can't maintain it”. It was also appreciated that SPI addressed this issue but as long as “you are handing over between two budget holders” there is unlikely to be an effective transition. One way over this dichotomy has been to create “dual -accountable” IPTs but in some respects that is only a compromise. Others wanted to “make it one organisation” believing it important as per SPI to “to reinforce the whole life aspects of the projects” and a “unified organisation would reinforce that.”

One person disagreed with the high number of military within the DPA pointing out that “Whereas, it takes you at least six months to learn what the job is about, probably if not a year”, “a lot of these people are only here for a year or eighteen months”. During that period it was considered that all they could do. “ Other than meddle. A waste of time.”

The issue of military in the DPA was raised on numerous occasions and as on this occasion there was little factual evidence to back allegations and indeed there was some inaccuracy regarding tour lengths. However, to balance these somewhat dismissive comments I believe it can be galling for those professionals who have to work to management or with individuals from the military with no previous procurement experience.

There was a disagreement with the functioning of the Executive Board believing that “They do not seem to act or want to act corporately as they ought in a commercial sense”. One view was this was a reflection on the Chief Executive’s complete commitment to SPI and a slight reluctance by him to share responsibility for its delivery. The impotence of an Executive Board can quickly act as a catalyst for reduced support particularly if the XB members convey an air of disagreement but my only knowledge of a similar experience was seen during the formulation of SPI when Business Directors were not fully engaged.

There was a disagreement with “some of the internal structures that have been generated as a result of SPI, particularly on site” because they “ don't necessarily lend themselves to greatest efficiency” and specific reference was made to “the Peer Group concept, which is structured to improve overall performance”. However, the view was that “the way it is structured doesn't allow synergy with like projects”. Clearly the matrix adopted does provide a grouping of like projects but based on their stage of development rather than the customer environments. The latter was preferred as a way to display

“practical sense in restructuring the DPA to reflect the Customer organisation”. However, one person also recognised that although the logic was sound in adopting this alternative course it could appear as “a drift back towards the old business structure”. I feel that a regime of “change for change’s sake” can also become counter productive.

Culture change

There was sympathy with the need to change because “our business should be the same as any other” and therefore “things should be changing and moving on and you should really look to the best side of everything and go with it”. This theme of change was further emphasised with the view that “there are a lot of things that still need to be sorted out still and we’ve still got the forces out there with kit that isn’t working”. Although it was understood that stability was possibly a necessity “there is only a certain amount of stability that you can hang on to because nowadays you have just got to be prepared that things are going to be different the next time another government comes in”.

Although in theory there was a significant culture change in the adoption of new responsibilities between the Customer and DPA, in practise there were still grey areas in the new delineation of responsibility between both parties, which were disruptive rather than harmonious in their effect. Specifically there was no clear breakdown of responsibilities in the systems engineering approach to capability management, because some felt that “SPI ended up as a compromise because they were so many warring factions”. From my observations there was no well-defined process at the time of DPA’s creation because the Customers’ future had not been finalised. That said, subsequently there was a very healthy top level debate between both interested parties and a workable process identified. However, as with any radical change experience was always likely to alter the adopted course.

A lack of thought was also associated with SPI implementation. Thought in respect of the “the way people operate or the funding that was available or the expertise that’s around”. Allegations have been made that proven expertise was lost with the redundancy scheme, that the consultants did not necessarily understand how people operated or that sufficient operating costs had been identified to support the complete change process. My own view is that there is no smoke without fire but the results so far would suggest that in the majority of areas progress has not been unduly hampered.

There was a view that in building up the team culture every effort should be made to “break down the barriers between commercial, finance and technical thinking”. They were viewed as too rigid and having too many rules both of which can hamper the more “out of the box” thinking advocated during the breakthrough process.

Others were frustrated “throughout the whole of this implementation” with being faced by “a fait accompli”. This involved “changing things we have been doing a certain way for so long.” It was particularly difficult if you “have been indoctrinated into thinking inside the box for so long, that I have forgotten how to think outside the box.” No doubt one of the problems that would have contributed to the frustration was their lack of involvement in SPI development.

There was disagreement over the rate of change in the culture outside the DPA. The DPA were seen as the champions of change having led the charge. Customer 2 who had the greatest vested interest in the procurement process being the end user and maintainer is “far more remote and not remote because they are the users” but they remain “remote in terms of the need for change”. This opinion did not lack substance as it took some considerable time for some elements of Customer 2 to commit to SPI and in some cases they have yet to place sufficient resource into fulfilling obligations to the process.

There were advocates for and against the effectiveness of accountability but I would come down on the side of “people being made more accountable for their decisions”. A view that was shared by the protagonist who didn’t “think Team Leaders are particularly accountable for what they do at the moment”. The cause in his opinion being “there are so many Team Leaders and they can’t be monitored very well” because in terms of procurement activity they are accountable only to CDP, albeit the XDs conduct reviews on his behalf..

Operating and equipment costs

The macro issue regarding operating costs appeared to be the lack of “coherence between equipment planning and short term planning”. The “equipment plan we look at under the traditional LTC time frame of ten years, our short term plan we look at over four years.” So “if you want to know what the total cost of our programme was going to be in six years time, no-one could tell you”. This has two profound drawbacks. Firstly, there is no ability to confirm capability beyond the four-year mark. Secondly the ability to deliver a programme is vulnerable to staff cuts, removal of training and travel and will remain vulnerable for as long as commitments and operating costs are not linked within the procurement regime. This view was re-enforced by the suggestion “that there is a danger that you actually overload the IPTs or rather you give the IPTs too many tasks and not enough resources”.

It was also advocated that greater flexibility should be achieved with the operating cost budget, “such that we can resource IPT's properly and deliver what is required to be delivered.” There was a body who felt “Too many IPT's were obviously set up by people sitting around a table and writing what they thought the IPT should look like”. That may have been the only approach initially without any practical or scientific evidence. However, if through experience your team is seen to be too small or

lacking expertise then the ability to secure new team members was “like a closed door” so “we need more flexibility”.

There was strong disagreement “with the pressure that is put on people to produce hard and stretched targets” particularly when seen in the light of increased delegation to IPTLs to manage themselves. So on the one hand there was independence and on the “other hand the delegation was side-lined when it was actually forced upon them to make a lot of savings”. I was around at the time of this activity and believed that with only a marginal involvement by industry many of the savings decisions, admittedly agreed by both Customer and IPTL, were far removed from reality. In addition, they were likely to haunt successors but appeal to those seeking short-term wins that were entrenched in the “Cheaper” philosophy of SPI.

There were those who felt that “we are slightly bound up by some of the restrictions of the larger organisations to which we bow” and examples were given of service and civil service regulations, and the pay and conditions structure that goes with them. They were seen “to impose restrictions on the teams, which we’re trying to develop” where success might be easier to achieve without their shackles. Clearly in-house efforts were commendable but to some “we’ve failed to go the whole hog in some areas”. To overcome these difficulties it was thought, “more thought has got to be given to changing the MoD’s rules and regulations” to enable the teams to realise their full empowerment potential. To the DPA converts the DPA was “a long way ahead in its change process compared to other parts of the MoD”. I believe that this view is slightly out dated since the creation of customers for example. Nevertheless, perhaps rather than accept the status quo greater effort should be applied to challenging old and perhaps antiquated financial and procedural regimes even though endorsed by the culture of Parliament.

Miscellaneous

There were those who preferred a cost effective rather than a cheaper world and this they thought should be reflected in a changed motto. Another preferred option was to reconsider the almost fanatical commitment to collaborative projects, which was underscored in SPI. To them there was a greater likelihood of being “faster, cheaper and better” if we weren’t doing it collaboratively. Collaboration often removes all national control out of a project leaving only the decisions to continue or withdraw and often political imperatives dominate that decision rather than the opinion of either the Customer or IPTL.

Objective 3 was to determine the attitudes to SPI.

What areas of SPI do you like?

General

The themes emanating from this question included teamwork and IPTs, empowerment, working for customers and nothing although only two people were completely negative.

Teamwork and IPTs

There was a very strong empathy with the “team approach”. The new-found allegiance had come about “because we don’t have the same tiers and reporting chain. So people do feel that they belong more, and are more associated with the product lines”. People also liked working together in IPTs because of “the cohesion, open structure, open plan offices and the ‘no blame’ culture” that resulted from the breakthrough process. The no blame culture was described as “instead of leaving someone to do one job and letting them get on with it, and if he fails or she fails, it’s their fault, the group is now seen as taking overall responsibility for all jobs”. The group effort and lack of isolation had led “to respect from fellow team members particularly when goals were achieved”. The focus on ‘people skills’, particularly those of the team leader, was also applauded.

A way of sustaining team spirit was to continue the team events introduced to many during the breakthrough process. As an aside, with no clear guidelines on what constituted a team building event, activities had ranged from brainstorming “the business excellence model” to social ones like “dry slope skiing”, which apparently had by far the greatest appeal.

There were those who enjoyed their function within an IPT and preferred operating in an IPT rather than the more distant relationship associated with being “part of a directorate or business unit”. They “liked having de-layered management and “being responsible directly to the customer” and recognised in that association that life was not any easier but that work was more enjoyable. The “more open interaction with our stakeholders” was also liked. “The clear relationship” between a Support Group member and his internal customers (the IPTs) was also applauded, as was the Executive Board’s divorce from the “day to day running” of projects.

Most commentators liked the theory of IPTs but also identified their limitations. These included the IPTL not being able to afford having all the necessary expertise in their team, “because he probably only needs a particular expertise, sort of one day a week”. Building on this issue it was further

believed that little thought had gone into IPTs employing support Group members. Another limitation was associated with failing to deliver milestones because “the milestones were poorly phrased or there was a lack of understanding between parties”.

Empowerment

There was a strong liking for “extra responsibility” which in turn provided greater control over “your own destiny”. Moreover, with responsibility being devolved to more junior management there was a belief that “everyone can do his or her job a lot quicker and a lot easier” and so the procurement cycle would be shortened. However, this result was only likely to occur if the support of the hierarchy was given.

Another saw and liked, in part because of its novelty in UK, “a fully empowered team working within discrete bounds and having limits”, which was “likely to be good for the people that are there”. Feeling that people have really got as much power as can be given to them, and are being allowed to get on with it.

There was a similar liking for “the relationship I have with our customer”. Here the advantage of having “much greater focus on requirements, having a RM who is potentially the customers agent, so you can spend much more time understanding what they want” was something liked and worked well.

What was also liked when it occurred “was the acknowledgement (recognition) of achievements.

However there were negative as well as positive aspects to empowerment. One concerned the younger staff who had been given much greater autonomy than perhaps their years and experience warranted and there was a danger that “they may sink without trace” particularly where mentoring was not functioning well. Others were vulnerable because they no longer enjoyed the protection and top cover of yesteryear. An associated issue concerning IPT empowerment and open style management was the introduction of “crossed skilled personnel”. This concept of transferring and thereby increasing skills across the workforce was seen as a way “to reduce manpower in the future” and perhaps reduce the vulnerability of individuals in the process.

Miscellaneous

In the past there appeared to be little reference to how work had been successfully conducted or what it could or should contain. Some people saw and liked the role that AMS would play in filling that void with its reference or straw man documents – “you can find out very quickly who has dealt with

similar issues so that you have got more openness on whose has been dealing with what". Plus, "there is good guidance and the rules have been changed to allow you to work more freely". My perception of the System is that it provides guidance rather than a rigid template.

Another practise liked was the greater adherence to " targets and objectives". Specifically the interviewees liked "that goals are set down and that people have a more definitive idea, a plan of the way forward and are more orientated towards achieving the goal". It was recognised that "before we had plans and milestones" but they were not a "major issue" and "so you did not feel so inclined to achieve them". One senior military IPTL felt that on his recent return the environment had become similar to regimental duty: "I now have a task to get on with, some very broadly defined limits of exploitation, and the where with all to achieve it".

He provided a classic example of one key constraint to this ideal operating environment. He was chosen for his job "through competitive selection" and the "operating costs were fixed before he was selected". He went on to explain "The team cannot afford me, and the impact of my appointment is that we are gapping a post within the team".

What if any areas of SPI do you dislike?

General

The answers can be grouped under four key themes. On the one hand there was a large group who held the positive view that there was nothing to dislike in SPI. Then there were those who disliked some of the processes and structure of SPI. A specific dislike was the additional pressure that now falls on IPT members that did not exist under the old Project Management system.

Positive view

A significant proportion of the interviewees had no dislikes but more as an aside did air concerns and make observations and these are addressed below for completeness. One concern was the apparent lack of a strategic plan that would put time, cost and deliverables against SPI and therefore could be used as a measurement tool to judge the effectiveness of SPI as a policy decision. The lack of such a document makes it difficult for example to assess "whether or not it is do-able within the resources currently allocated, or whether further resources are required, or indeed less resources".

A minor point raised was the lack of user friendliness of the AMS system. However, a positive view was adopted in recognising that the system was “new in its evolution” and therefore with feedback the product should improve.

One cynic suggested that as so few milestones had been achieved by his IPT this would impact on their annual reports and “save on operating costs because if everybody gets box 5's and box 4's, nobody will get any pay rises next year”.

Process

There was a dislike of an approvals route that still appeared to be “as complicated and tedious as ever”. It was understood that there were “less layers of management to go through, and so it doesn't do the full one star circulation, and two star and three star like it used to”. However, attention was drawn to the “wide number of people in different organisations that are involved and it still does the rounds”. My only observation would be that on the one hand there is value in canvassing widely to ensure that all stakeholders are content. On the other it is wise to restrict the poll to the real stakeholders who possess the insight or knowledge to comment constructively and therefore add value to the process.

One major dislike was focussed on a mind set which was encapsulated in a term called “tokenism”. It was suggested that the PE has been involved in a myriad of initiatives over recent years and once launched there was a tendency to move on to the next one. “We don't do the maintenance, we do not follow it up with reviewing how it is going.” ASPECT, the PE and now the DPA's IT system, was given as an example of tokenism, “where we have taken the savings, it is not working, no one seems to really worry that it is not working as a corporate IT system”. Yet if these initiatives are not made to work it “is hard to see how we are going to continue to function effectively”. SPI had the potential to fall in to that trap unless “we nurture and maintain the change and the normal way of doing that is to actually invest resource” as was done during the break through process. The perception in many DPA areas “is that we do change in order to save operating cost and invariably we take the saving before the change has even been introduced”. One of the maxims of war is the ‘maintenance of momentum’ and I would suggest that it is equally relevant to MOD if SPI is to deliver.

The dislike of separating operating from project or equipment costs was also brought in to sharp focus and once again the lack of correlation between the two sums of money was challenged. It was regularly quoted as an example of “a lack of coherent processes”, as there was no “arrangement to veer and haul equipment programme money and internal operating cost money” for the mutual benefit of all interested parties.

Another major dislike was the mismatch between project financial delegation and entertainment rules, which are partially tailored to Service organisations. Recently revised rules envisage “a one star Team Leader having to submit to his XD or the Senior Finance Officer for agreement for some team building exercise”. This was not appreciated as a sensible way forward when IPTLs “have enormous powers to make major project decisions”, which can have a significant impact on taxpayers’ investments.

The “cheap logo that it (SPI) had been branded with” was also found to be offensive because it “denigrated what should have been a common sense principle that everybody could have subscribed to”. There was also a dislike for the “growth in the amount of spin that people are tending to generate now”, as there is very much a feeling that we have to focus on creating a positive image, and perhaps a reluctance to admit our internal weaknesses publicly”. I don’t find this too difficult a concept to accept as it is related to a honeymoon period as long as it does not lead to falsehoods, which when exposed can seriously undermine an initiative.

Another relatively small body disliked “the desire of the DPA centre to issue you with screeds of information” most of which was not valuable. As with most IT systems people place all manner of information on them believing that the ‘mail shot’ technique should ensure that most people are informed. This potentially time wasting technique has the added disadvantage of people over time failing to read important mail.

IPT vulnerability

There was a general dislike of the senior management’s attitude, which appears often to be “you’ve got to go manage”. This applies to situations whether, “you’ve got people under stress”, and “less and less ‘op’ costs” or you “have got to go and achieve better costs savings”. This attitude was seen as a type of “de-coupling process” which in turn has resulted in a feeling of “isolation”. The segregation appears to have occurred with the demise of the Business Units who did perform useful filtration and administrative functions for the Project Teams. This problem had been anticipated but “what now seems to happen is that the level of demand on the IPTs, particularly in terms of returns (project as well as RAB orientated), has gone up exponentially” beyond that envisaged.

An IPTL disliked intensely “the amount of responsibility that has been dumped on my shoulders”. This was put down to “cutting out a couple of the middle to higher tiers; their responsibilities then get shunted down, and that then goes down all the way down to the bottom”. A result there was a feeling “as we are going along that there is a limit to how many things that I can do at one time”

The pressure on the IPTLs has resulted in them flying “by the seat of their pants” and a lack of consistency in approach that did not exist previously. A pressure which sees “IPTLs re-inventing the wheel rather than learn from the experiences of others because time is too short”. This is of concern as one part of continuous improvement under the excellence model is a consistency in processes.

Another cause of additional pressure has been the change process activities that are over and above previous working practise. However at a relatively early stage of a change process where so many novel practises have been introduced it is understandable that time is at a premium. Team building was singled out as a particularly onerous chore because of the time and effort expended not only “in doing it but preparing it as well”.

Structure

There was a dislike of the DPA hierarchy post de-layering. I do not believe that any of the respondents were so naive when they joined either the Forces or the Civil Service that they did not understand that there were chains of command containing different rank structures and associated reporting chains. However, some had expectations that a less structured society would unfold post SPI wherein the IPT expertise, immaterial of rank would be heavily called upon as per “true commercial practise” to conduct daily business with people who would be more approachable. Clearly this Utopia has not been reached and is unlikely ever to do so in a culture where status is so highly prized but even in this environment the voice of the expert can and should be heard.

Other people disliked the inconsistency associated with the framework in which IPTs are operating. This was attributable internally to the “Executive Board hasn't quite decided yet what it should be doing and its connection with teams”. Externally the issue is affected by a lack of commitment by the wider community other than Customer 1. Evidence of reverting to old speak and practise exists to support this hypothesis and so the SPI “message is perhaps not as universal as the system would hope” nor perhaps laying the solid foundation required for the future.

Objective 4 sought to determine the new behaviour adopted as a result of SPI

How has SPI changed your working practice?

The responses exposed four major themes ranging from little to no change in working practise through to a significant change resulting from the creation of IPTs. In between there were issues of greater co-operation with internal and external customers and industry, and specific changes related to the demise of Business Units.

Co-operation

There was definite agreement that the closer partnering with industry as prescribed in SPI could be viewed as a change in DPA culture to a very much “hands and eyes on” approach. There were reservations as to how far this practise should be carried and the practicalities of implementing the policy. The reality of the new relationship was “not that dramatic a shift” because the requirement was most likely to be met by providing greater visibility rather than have people physically employed on industrial “shop floors”. The new concept involves sharing “the same programme basic information” which in turn will provide a “similar awareness” and now involves “giving them our budget, telling them what sort of funding we have, which are things we never used to do”. The hand on dimension is most likely to be achieved by conducting and sharing trials. It was believed that detailed engineering solutions would very much remain in industry’s bailiwick and MOD exposure would be achieved through “the design review processes”. The primacy of the prime contractor was respected and IPTs providing too much direction to them was seen as likely to revert to “commercial exchanges when things go wrong.”

The desired close co-operation with the customers and industry would also be achieved by greater joint involvement in the construction of the User Requirement Definition and Systems Requirement Definition both of which become more living documents as capability is matched throughout service life. The past culture of handing over the SR (L) to the Project Manager to provide a technical specification to industry almost in isolation should be outlawed and with it the “blame” culture removed. Through more regular meetings the old more distant triangular relationship enjoyed by industry, PE and the Systems area should also be nullified and with it the practise of “nipping around the corner” to discuss the issue with the other party should also disappear.

Another aspect of the relationship with industry that has changed was “the recognition of the need to better understand what drives industry, what their problems were”. One interviewee recalled a recent meeting which “actually allowed both sides to move forward, recognising that there was a clear goal to achieve, and that meant a lot of compromise on both sides, but it only came from a better understanding of one another”.

IPTs

The new behaviour expected within teams saw people working more closely together. Instead of relying on IPTs to make key decisions “we have brainstormed a lot more things in a bigger group” and we “tend to go into a huddle more often” to conduct “more meetings, pre-meetings and strategy plans”. The emphasis is now on “talking to each other” because “good communications are recognised as key to success”. They were also used to ensure that all parties within a team are aware of “what we are trying to do” and “why we are trying to do it”. A degree of internal scrutiny had also been conducted within IPTs to ensure that parties were receiving and providing the correct information: an activity that would be difficult to conduct in a more closed society. One of the benefits of openness was that it enabled people to get an insight into things they never had before “and saying, if I had known this I wouldn't have done this”.

Awareness of what the DPA was up to was less clear albeit that DPA Centre had gone to great lengths through the medium of core briefs to keep agency staff up to speed. However, core briefs “tend to be a bit turgid” and “it takes time to filter through all the dross that is there and find out what it is you really need to know.” This is an issue that now faces sponsors and users on most large Inter and Intranets.

Some industrialists were also viewed as “good communicators”. Others have been badgered, and the clear message has been “look we want to get to a better relationship here, but we can't do it on our own, it is a two-way thing”.

Other interviewees thought their working practise had changed most radically in the much freer and more frequent access they now enjoyed with senior management. One person illustrated this change by “the greater acceptance of managers now to say sign that please and send that off to CDP in simple writing” a responsibility he found “refreshing”. This sort of practise was viewed as making business a “a lot easier and slightly more fulfilling” because empowerment allows individuals “to carry out more without having to be given direction.” The devolution of responsibility brought with it “much more emphasise on accountability” whereby “you have got to be prepared to answer every single question on a project accurately otherwise you are called to book”, which was not mandated in the past.

Some were concerned with the “lack of a template for what constitutes an IPT”, so you have “essentially Eurofighter nearly 200 strong, or NATO submarine rescue one commander strong” and

this appeared illogical. Tiny IPTs have unique problems not least of, which is the ability to cope with the myriad of on going initiatives. The business unit would have had a “director of finance and secretariat, maybe a dozen or so strong, multiplied by eight and therefore, lets say, a finance community of a hundred odd”. Now “every IPT requires its finance and contract staff, as does every support group”. This has resulted in “the organisation's change of architecture creating vacancies when previously none existed in an organisation which is supposed to be getting smaller”.

There were others who did not believe that all IPTs had progressed down the SPI route at the same pace and saw instead a discrepancy between the rate of change between the large and small IPTs. “On smaller projects it is probably easier to do quite quickly, on the bigger projects it is going to take a while for the culture to really work its way through”. There is an additional risk to the change process when individuals who are inspired and anticipate much of the change are demoralised because they are “not given the opportunity to use their initiative or adopt novel practise”.

One IPT business manager thought the change process post breakthrough was very much personality led. Together with a young IPTL they had identified the need to “do a lot more things like ‘multi – skilling’ and team building skills, entrepreneurial skills and identifying skills gaps for the whole team”. Importantly from my perspective they had also been “keeping it going” whereas others were managing projects business “as usual”. This enterprising team appreciated the cost of training and so were “trying to set targets and measure our performance” so that they could establish “whether all this training and team building is actually improving our performance”. This exercise was not being conducted apparently on a corporate basis.

IPTs were also being exposed “to a much broader Kirk and thereby achieving a much broader perspective of capability” through peer groups. Peer groups comprising people with different backgrounds, responsibilities, equipment, and project maturity and DLO IPTs are also included in some of the groups like Submarine Peer Group. So instead of being insular and associated with a specific Business Unit in the old way, people were seen as being “much broader in the way we deal with people” which is a positive approach.

One military officer admitted that a major behavioural step change he underwent, as a novice in the DPA was to “temper his language on the political correctness side when talking to civilians.” In his opinion this was no easy exercise as the two cultures were so very different. He expected to revert to his parent culture “once I get back to the regiment” a chameleon- like quality that is demanded of many in today’s more nomadic society.

Demise of Business Units

The “division of eight business units into 90 odd IPTs and 20 odd support groups” had made the task for a support group manager of “dealing with this far greater number of customers much more difficult in terms of time management, physical location, attendance at meetings, and things like that”. This view was balanced by more positive behaviour that entailed the “greater identification of internal customers and building a relationship with them, rather than the more anonymous and high level business unit” of the past.

Some people felt that the processes employed had hardly changed and the only change involved the people they dealt with. The demise of the Business Units dissolved “a nice little system of networking.” The replacement, wider, network did not necessarily lead to inefficiency because it replaced a filter structure where having attended a top level meeting it was necessary to ensure that lower management was subsequently educated.

Nothing new

A minority felt that their working practise had hardly altered and used phrases like “I don’t think there is much change. I mean it has had little effect” and “not at all” but in the main these people worked in support groups where perhaps the impact of SPI has not been so affective because of the nature of the work, like contracts for example, has not altered.

Others felt that they had already been structured and practising in an SPI mode and therefore after the breakthrough period they reverted to “our old practices”. I can understand the genesis of this view as it mostly emanated from legacy programmes. However, I cannot help believing that the effectiveness of their management team should be challenged because clearly such issues as customer and supplier relationships did not impact on their area, which in turn may be viewed as a poor return for the investment in change.

How has your behaviour changed to either the Customer or industry?

General

Mainly positive themes evolved around both relationships and mostly fell into the change for the better, no change but working, and improved with some reservations.

Customer relationship changed for the better

A large number of interviewees sympathise with the belief that “the most welcome improvement which SPI has brought about was the clarity of responsibilities between Customer One and the DPA. A development which allowed new identities to be adopted and new relationships to blossom and bear fruit”. Prior to the advent of SPI “the relationship was probably characterised by bad news late, with no desire to reveal the problems earlier or discuss them”. Some describe the approach as a “wall attitude where work was conducted either side of the wall in isolation and the major dialogue was focused on remedial activity when projects failed.

During the nemesis of the Smart Procurement Initiative, break-through, “one of our biggest discussion areas was trying to highlight or identify who customer 1 and customer 2 were”. That activity alone should illustrate how divorced DPA was from a customer orientated culture. It should not be forgotten however that at the time of these interviews the Customer had only recently adopted his new identity and moreover was still “getting used to the new capability role.”

Soon after customer identification and re-organisation a customer survey was conducted and a person heavily involved noted “that we are far more customer orientated”. “IPTLs and support group leaders are all keen to know what the customer thinks of them” and were “cross at being tied into a DPA corporate customer survey when really they want to get out there and talk to the customers themselves”. Moreover the results of the survey, which measured a customer satisfaction index proved that “we were bloody hopeless!”

The survey was to be repeated as part of the DPA business plan, which again indicates their commitment to SPI.

One senior IPTL, with a mixture of DPA and DLO responsibilities and funding, had a signed customer supplier agreement with customer 1. He saw this more “as a mature draft really, because it is a first year”, which will delineate “a sort of framework within which we operate”. It contains “how we are going to work together, agreed performance output, how we are going to look at customer satisfaction, how often we review it”. This close co-operation had helped to deliver a successful conclusion to the first equipment planning round and completely satisfied CDP in the process.

Subsequently, there has grown up a clear understanding of “reporting to the Customer in the capability working group in terms of how we’re going to deliver capability and also answering to him as far as the money required to fulfil his programme needs” are concerned. This clear understanding was being accompanied by “a good relationship”, best optimised as “I can pick up the phone and talk to them any time”. One slight distraction from this harmony was the quarterly review process of IPTs conducted by

the XDs. There was no agreed position on project reviews between the XDs/IPTs/DECs/CMs, which could lead to a feeling of interference and misunderstanding that were weaknesses of past practise and therefore should be resolved.

The maxim “of retaining a very good relationship with our customers” was also likely to enhance mutual respect and ultimately help DPA improve their performance. Another catalyst for improvement was locating RMs in the project ranks. “We see their side of it and they also see our side of it”. Overall this “double edged sword” of RM location was seen as a positive bonus.

There were shared views that the Customer has “become a lot more financially aware of some of the things they are doing” and in that climate were “willing to trade cost against performance and be more flexible in that respect”. “They were also a lot more aware of the impact of their decisions.” However, the “Navy, Army and Air Force cultures continue to dominate the customer base even though they have adopted new names”. In such a climate there was little possibility of providing a capability that was identified on a central customer basis and that climate was unlikely to alter for some time.

Customer relationship not changed but working well

To some their experience was “that relationships are more reliant on the personality of the customer as opposed to anything else”, dismissing in the process the impact of dogma. However, it should not be forgotten that if not pushed in the right direction many excellent personalities would not connect. That said even the most congenial supplier would fail if faced with a customer who was a “cold fish, only interested in his own career and got out, had no time for soft issues, and took as little interest as possible, or so it would appear”. It has in part got to be influenced by the individual.

Customer relationship improved with some reservations

It was believed that “to achieve the requisite relationship was dependent not only on the leadership skills but also on the size of the IPT”. Some saw that “with smaller projects and project teams there was more of a regular interface which resulted in a better understanding of what we were both trying to achieve and the difficulties involved in that.”

Some interviewees felt there was a discrepancy between the senior Customer 1 officers who appeared knowledgeable and proactive, and their desk officers who had only a cursory knowledge of SPI and an understanding of greater harmony. This was seen as “probably one of the single largest problems that we face in trying to get them to accept that we are part of a greater team and we’re on the same

side". A position I would endorse as the junior officers see themselves as only transitory members of the acquisition stream.

Industrial relationship changed for the better

It was exposed that prior to SPI even in flagship projects like the Eurofighter "there was an us and them culture and we had big meetings and we got the baseball bat out." This degree of disharmony can be expected in a hands off management environment when projects are failing and is not unique to MOD as it was to be found in "the Germans who liked to work that way as well." The difficulty of achieving success is that "there are other people who influence the decision making process beyond just your team leader and your industrial prime team leader". This reference must be to politicians, shareholders and even the British public not forgetting international governmental and industrial pressures.

It was clear that the teams realised that industry remains wedded to profit and are "answerable to their shareholders as their prime customer". The DPA's procurement thinking was focused therefore on "trying hard to have a better relationship with industry". To a degree trying to understand their problems and "where they are going to go in the next five years". With the volatility of the defence market it was seen as important to be "conscious of their position in that market place."

Others saw a dramatic change in working practise where "partnering agreements and codes of conduct have been agreed and signed" where "we didn't have them before". There were "design authority agreements and we have had contracts with them before", but identifying "how we would behave towards each other in terms of openness and trust and a way of working" was novel. From a DPA standpoint, originality was also associated with the possibility of an environment with, "No blame culture, no hidden agendas, no secrets, no surprises". The use of E Commerce and E Mail also identified a new found trust where "soft copies of letters are shared and adjusted."

Efforts had been made to employ industry in DPA appointments with varying success. Where the Defence Industry's Council and the industrial personnel group themselves have been involved in putting forward candidates they drew from a list comprising early nominations from industry or the un-employed as that was the only way that they could "keep pace when a competition is run". Evidence of this behaviour was provided by "seeing the same names being put forward regardless of industrial sector, regardless of size of team, regardless of level of expertise required". On the other hand where jobs have been advertised in national newspapers "there has been a very strong response" and so that is likely to be the preferred route for the future. The requirement to involve the Customer

in the IPTL selection process “provided an insight into what they are looking for” which was also beneficial.

One IPTL was surprised to present to seventy companies at his own study period which was aimed at getting industry along side in terms of Smart Procurement and its associated professionalism. Of course the improved relationship has two benefactors and some members of industry have said that they “understand a lot more about how the MoD works which has accounted for some of the more obtuse things that went on”. There was also a view that some of the less respectful relationships that were built up over time “would take time to change” or see adversaries retire from the battlefield.

Industrial relationship no change

The presence of an industrialist in an IPT can also cause some resentment. One interviewee recalled pre SPI having an industrialist in the Project team and the reaction was “so much hostility, a spy in the camp, we’ve got to be careful what we say. They are going to be watching everything and reporting back”. That said, the majority favoured “more industry people within the team, and likewise we should have more people out in BAe Systems or Pilkingtons or wherever”.

There were others who were equivocal about industry’s attitude and were not sure whether we were getting closer and also believed that industry remained “suspicious”. Their attitude was seen as understandable, as on the one hand MOD was advocating early talks with industry but on the other industry had trade secrets and as such were “not prepared to be open in front of a third party”. With such practical difficulties it was not surprising that industry thought that MOD were “still playing at Smart Procurement”. Another reason for adopting this attitude is that although good relationships are not novel many IPTLs are faced with contracts that are “cast in tablets of stone, they are not easily altered”. This in turn “limits your flexibility to change.” Some interviewees saw industry as unsure of “what was in it for them” although they recognised that they could not afford to ignore SPI and until those benefits were clear they would remain uncommitted. If benefits did not materialise then their limited support would fail.

Some felt that industry was engaged in SPI to forward their concept of an integrated approach, which to them involved the adoption of cradle to grave responsibilities and an increased revenue stream. In a shrinking market it would not be surprising for them to progress such an agenda particularly when DLO is seeking ways to reduce his operating costs through greater efficiency.

Industrial relationship improved with some reservations

Most IPT members felt that they had “much closer links with key suppliers” and they put that down to their shared discussions whereas before those same “discussions would have been held at a higher level”. Industry is forced to either engage the IPTL or CDP in discussions, as there is nowhere else for them to turn. This focus in relationships has also “given us an opportunity to get them to look at our ideas, hard and stretch targets, how they might contribute and how they may also contribute to develop procurement strategies.” A combination of no let contracts, SPI and IPTs has allowed this behaviour to flourish. There was a slight negative dimension to this approach and that was some industrialists saw their role as acting as free consultants, which would be a novel posture for them to adopt.

There were those who felt that they had “always tried to treat people fairly and with respect” and had gone a stage further in their attitude towards better relations. They talked to industry on a less formal basis and the result of this more composed approach was, it “relaxes the situation and the meeting is more pleasant, everyone goes away with a better sort of feeling”. This behaviour is already achieving a “much more open and proactive relationship”.

Some parts of industry were “very pro-active, especially some of the smaller companies”. I suppose because small companies are so reliant on large customers like MOD “they work very closely with us and are quite happy to take on board things that we are doing”. On the other hand “you have some very difficult and larger industrial partners who aren't necessarily interested in what we are up to, as long as we are still buying their stuff” an attitude once prevalent in British Aerospace³⁹³. It was also postulated that “a lot of the industry that we deal with possess a culture that is perhaps more akin to our old culture” and many have made little effort to change. It was “quite interesting that some of the newer more dynamic companies that we deal with are much more aligned if you like to our new methods.”

What tools have been put in place to improve your productivity?

General

The themes emanating from this aspect of the interviews focused on IT applications, web sites and new management techniques falling out of the breakout process. There were as ever some people who felt that no tools had been put in place to assist in improving productivity. Because of the emphasis placed on IT I have included a brief insight to illustrate the function and interrelationship associated with the various aspects of the programmes.

³⁹³ Vertical Take –Off, Sir Richard Evans

A Set of Procurement Executive Computer Tools (ASPECT) uses propriety software, running on DAWN the DPA intranet, providing DPA with applications covering issues such as financial (updated for accrual accounting), project and risk management and various in-house returns which mainly benefit the hierarchy. The DPA web site also found on DAWN contains the Acquisition Management System (AMS), which is encyclopaedic in nature and provides details of such issues as SMART models, processes, and responsibilities and the infrastructure and roles of all acquisition organisations. There is an interface between DAWN and CHOTS the MOD Internet and e-mails can be exchanged although there are certain operating constraints on passing secure data. That said, some people saw "the biggest breakthrough as being able to e-mail people in London."

ASPECT

Many respondents referred to ASPECT as a tool set that was supposed to assist PE and subsequently DPA members "to improve productivity". This in-house project started in 1993 and they have "spent £53million or something horrendous developing it" and as might be expected "the goal posts of what it is required to do have changed horrifically". The problem for a mainly IT literate community was the inflexibility and poor performance of the new software packages compared to what is found commercially and in academia. Added to which there has been a history of delay and cost over runs and together they stack up to a project with a poor reputation in which there is little confidence. Allegations were aimed at it being "difficult to use, update, keep current on it, and some parts of it don't have reliable results like Predict, the three point estimating tool, which is particularly poor".

The use of IT was also being explored to improve the "efficiency of the personnel functions that were inherently inefficient". In that process, "the use of the Intranet for internal advertising or indeed the Internet for external job advertising" have been denied by MOD. Apparently there is some ray of light as MOD "is now grudgingly having to take forward some work on the use of web page resources, but it is a slowish convoy".

ASPECT also provided a reporting tool on the status of projects, which to many was seen as a chore which "does not make the job easier". Nobody was clear as to the benefit accrued to the hierarchy but half an hour per week devoted to filling in a project status was "not adding any value to what I do". A similar disregard was shown towards the function of task recording albeit that if this data were accurately recorded it could be used to determine the size of an IPT. However, many "forget to do it for a long time and then put figures in just to make the numbers up". One reason for such a lackadaisical approach was "a belief that it is not used by management". Another cause might be that "the current task recording template doesn't really bear an awful lot of resemblance to what I am doing

these days (post SPI)" in other words the functionality offered is not topical. Whatever the task or function there is another new difficulty and that is consolidating the returns from all the IPTs compared to the analysis of fewer Business Units.

One of the problems with ASPECT was "there is no budget for APECT training left". An expert on APECT reinforced this view by suggested that although ASPECT was in its final stages " they have delayed the funding and the staffing and the whole training and the main releases, the commercial and finance packages costing £60,000." And to him "that doesn't sound very smart" when put in the context of a £53M budget. Without an adequate insight no wonder the tool set was seen as " too complicated and people cannot see what it does for them".

There was some light at the end of the tunnel as ASPECT Release 4, which had just, been brought in to use showed promise and " should serve all of our basic management and information needs" and "hopefully will be rather more user friendly".

However, one of the few people who had done the week's user's course felt that if "we can get it running correctly and everybody within the team using it correctly" then and only then will it be useful. The potential of the complete IT tool set was viewed as " if Aspect does work which eventually it will do and if they really put the training to it" as "hugely powerful and we're actually only tapping 5-10 % of what it can do for us". People were already anticipating a change and conducting work on performance management indicators and how we can share IT to deliver against common processes which specifically came about thanks to SPI. Notwithstanding this bullish view, the need and case to review the investment in ASPECT appears solid as the current approach smacks of "spoiling the ship for a penny worth of tar"

AMS

People were less scathing about AMS albeit it too was still in the development stage. However, it was "not user friendly to search". Moreover, although the set was seen as maturing it still required expanding just to cover all issues that were addressed in CDPIs.

It was strongly believed that confidence in a relatively complex system would be achieved more quickly if all users were given short familiarisation courses. Criticism aside, most interviewees felt that AMS was "the biggest new tool set to come along". However, the general impression with all DPA IT was of being "supported in terms of productivity with tools that are not fitted to the task yet".

Management Techniques

Of the tools that were given a higher profile during the SPI breakthrough process, an activity that was voted successful particularly by IPT members, those involving group decision-making activity were

most highly regarded. One example was the use of a workshop “which has been taken on and used continually.” Others were less specific about the nature of the discussion arenas but applauded “forums that we’ve got to talk about what we’re doing and how we can improve performance”.

Within the DPA “there are a whole series of learning from experience seminars and the Peer Group structure”. There was a general belief that “learning comes not only from personal experience but also speaking to people who have been in a similar situation”. To this generalisation was added, “I do believe that has gone on, and is going on perhaps to a greater extent now than before”. The peer group concept attracted more criticism than it did support. However, I have always been an advocate of learning from experience both from one’s own and that of others.

What practical management steps have been taken to improve your performance?

General

The themes emanating from this part of the interview included training, team building, and business processes such as the business plan.

Training

There was a general view that there was much greater emphasis placed on training, which was attributable to a combination of IIP and SPI. In addition, the Performance Appraisal Review (PAR) lists “all our main duties”, individual objectives, and the training courses required to fulfil these obligations, which are identified by the individuals who are responsible for their own training and development. Consequentially, there is a desire to fulfil all essential training needs within the annual cycle by both line-management and the individual.

The goals of training once again included the ownership of “recognised professional qualifications”. Others benefited from customer orientation courses, which provide an invaluable insight into the environment in which capability will be exploited. During the experience a greater sympathy was also achieved between the customer and supplier.

For some there was a degree of frustration regarding training. IIP and SPI extolled the virtues of training for the job and a great deal of time had therefore been spent identifying appropriate courses. Frustration crept in when training courses were “not available in the correct timescale or there were insufficient courses available”. The frustration was magnified when the cost of identified course requirements proved “unaffordable as budgets have been cut so tight”. However, this perspective is

partially balanced by the counter notion of one personnel expert who had interviewed many recruits who felt what “is wonderful about the MoD is the training that is available.”

The quality of training also came under scrutiny and in particular that of IT was viewed as “absolutely appalling”. There was also a view that senior management would benefit from external courses where the interface with industrialists and commerce would widen their horizons: a benefit missed “by a lot of this internal training”. It was appreciated that this approach would incur “a massive cost but the benefits to benchmark ourselves and bring back ideas would be huge.”

Team building

The breakthrough process was seen as an interesting experience where IPT members were fully “involved and encouraged to find solutions”. The IPTs were clearly well assisted in the exercise by outside - consultants that facilitated “the running of it by guiding it along and getting you involved with them” and “were always prepared to listen to your opinion rather than rule it as right or wrong”. I was a tad taken aback that at least one team “failed that twice. Our consultants walked out the second time around - they got so annoyed- can't say I blame them!” Apparently, “the consultants had some fairly radical ideas” on how to deliver first aid to an ailing project involving poorly performing contractors and the IPT was not prepared “to accept the advice.”

Reflecting on the long-term effectiveness of the breakthrough there were some who after only six months felt that “it is very easy to go stale and you have got to somehow push yourself just that slightly more forward to get with-it or keep up.” Turbulence within the teams was also seen, as a reason why some form of continuance in team building should be instigated. One team noted a turnover in one year of 20% and for the new members “they're kind of left out in the cold a bit”. As a result there had been a return to what was described as “parochialism” approach where members “just dealt with your own stuff and the people around you. Not wanting to share time or projects”. A minority suggested that they benefited from the continuance of “team building and soft skills that have been employed at various meetings post IPT breakthrough”

“The creation of a true team environment, where the commercial and financier is responsible to the IPTL” has been one of the key management steps devised to increase productivity. As a result of better lines of communication, staff “are not pulled left and right by different programmes and demands, and I think this has certainly bought about a good sense of harmonisation of the team”. This in turn was seen as likely to result in “the team working effectively” and then “the chances are that the products will follow.” Working within teams was seen as a very positive benefit and very good for the members because “they are always asking how you are, they always seek out views and encourage you to make

progress". Key to the success has been the involvement of all members some of who had never enjoyed responsibility or been involved in decision making previously. This in turn had help them "build up the confidence to do a better job as well".

As an aside, one brief insight was provided into the relationship that existed between the military and civil servants within a team. "There was a bit of antagonism between them" although, "Oh those damn green shirts, but I actually like the military. They are quite fair people, and they just need a little bit of rubbing off at the edges sometimes".

Processes

DPA's adherence to the European Foundation Quality Model (EFQM) and specifically "their adoption of the business excellence model", which came in as part of their ISA9000 work, were applauded. Their corporate intention "to measure ourselves against it, to improve, and deliver against it forms a basis for the DPA business plan" which is mirrored by some IPTLs. As mentioned earlier there is significant advantage to be gained for all participants from external, objective measurement.

There was considerable support for the concept of the "flowing down of objectives is the practical-linking of my objectives and performance measurement to the business plans in my area." Other team members felt "As a team, we are linking a lot more objectives of everyone who gets to the team and we are looking at team performance as well as individual performance." SPI might be accredited for motivation as "Although strictly speaking we always had our objectives linked, they have never really been done properly and we have never really focused on teams".

Peer Groups were still being explored as a process for "finding ways of helping each other out". They were not seen as fora devised directly for cost savings but rather as a risk reduction tool and the use of Peer Groups to review ITTs was provided to illustrate this dimension. The future of Peer Groups was poorly defined both in terms of functionality and funding. The danger exists that when setting their own agenda there will be a clash of priorities between IPTLs as to how the time of the Peer Group should be spent and "that would not be an effective way of delivering output". Moreover, the potential exists to introduce harmony and/or disharmony to the groups, the latter doing little for DPA's culture. One step in the Group's activity that could prevent such a slide is the requirement for the Peer Group Convenor to report regularly on progress to a XD.

XD's were also the benefactors of the "quarterly review process which exists to monitor how IPTs are doing". Also in attendance at these meetings are the customer or a representative "to make sure that

IPTLs are delivering”. The XDs in this role also act as a conduit to ensure that procurement best practise often learnt from experience is shared effectively.

Within the personnel function there was an on –going initiative that went under the banner of performance management. It entailed, according to one example, “that if you buy advertising for an internal vacancy - then there is template. In week one the advert goes to the publisher, week two you expect to see it, week five there is a closing date, and in week six you will do your interviews etc.” Subsequently data is collected to “look at why there are variations against the template” and learn lessons. The concept of devising a plan/template with corroborative analysis to underpin it and post implementation analysing the cause of success or failure is a well-proven process. However, if successful people rarely bother to conduct any analysis and the analysis of failure is often ignored or swept under the table to save embarrassment. Both poor disciplines are conducted at the expense of the establishment. Continuing with this theme, performance measurement has also been conducted in the form of customer satisfaction surveys, which fell out of customer supplier agreements.

Other management tools being employed in support of teams included psychometric testing to understand strengths and weaknesses in a team, which can be particularly relevant in the more sensitive technical areas like nuclear work. Another was the introduction of 360° reporting, which essentially involves canvassing the opinions of “your boss, a number of your subordinates and a number of your peers” and the resultant picture “provides a sort of 360° perceptive”.

What rewards scheme is in being to improve your desire to work harder and succeed?

General

The themes emanating from the interviews fell into four categories. Bonus schemes, Annual Confidential Reports (ACRs), recognition, and more general philosophical issues. From the outset it should be recognised that “no new schemes” have been introduced as a result of SPI.

Bonus schemes

Some felt that the only incentives were “ the special bonus scheme within the pay budget to reward individual performance”. Performance can be rewarded either for the acquisition of related qualifications or more normally individual accomplishments and an example was given of a reward for extra effort made in support of the crisis in Bosnia. There was a view that as they were given at the discretion of line managers they can be divisive within teams: “Whom do they reward, and who don't they?”

There was some concern that treasury rules precluded true effort being rewarded. An example was given that perhaps "if you make 5% saving on project x, that you could reap a minuscule amount out of the savings". Moreover, one respondent who looked at system productivity in a previous incarnation thought "to be an incentive it needs to be something like 20% of your basic pay to galvanise you into action". Only a small proportion thought that productivity could be increased with bonus schemes and those that did mainly believed that whatever system you introduced "you have got to get the whole team performing better, not just one individual or some individuals within a team". The sums of money are not the real motivation for most, instead they too "recognise people's effort, and that I think is the good thing about it". A similar but more cynical vision saw "these reward schemes are basically a way of not paying people a decent salary and trying to pretend we value you because we are giving you these little handouts".

CDP also has an annual award scheme for team excellence. Examples of successful teams were the IIP and Partnering team although some were slightly disgruntled "that Policy areas were winning as opposed to IPTs".

It was re-emphasised that they do not apply to military staff as "the service personnel authorities are adamantly opposed to any form of assimilation of service personnel" in to the scheme. As discussed earlier the military were not supportive because of the schism that might develop between the front line forces and those in more sedentary posts like staff appointments. One military interviewee illustrated this point from his own experience of being in a team where everybody other than himself received a £400 bonus. He placed this happening in today's context by opining "I felt that one of the major things we were pushing for at the time and still are, is to de-emphasise that split, and that to me was a negative". Another division that exists is between MOD and industrial partners who enjoy huge bonus when compared to government remuneration and if anything that gap is widening as commerce has become bonus orientated.

There is also the "GEMS 2000 scheme, which is the suggestion scheme within the DPA" where people can be rewarded for beneficial ideas. GEMS are well advertised "although I don't think many people actually make the effort and put them in". It was thought "people see them as inventions instead of incentives to save money" and that might distract their attention with all the hassle of IPR et al that is associated with invention.

Annual Confidential Reports (ACRs)

Within the concept of performance related pay the distinction between civil service performance markings are “negligible”. “This means that for a box A you get a 3.8% pay rise as opposed to a 3.5% pay rise if you had been given a box C”, so there is not a lot to gain and so “What is the point of me knocking myself out”. Terms such as “pitifully inadequate”, “It’s a joke”, “It is farcical,” were levied against the concept. That said I share the view of another interviewee who felt that people “don’t discount the financial incentives, you know if there is any money going we would like the money please.”

The appraisal scheme was also seen as providing an opportunity - if you get a good report- to “move on”, which in turn was considered “probably the biggest motivator we have got for the staff”. People were motivated by the idea that if “I do this job well, I will get a bigger job in the future, or that it will help my career” accepting in the process that “we do not get paid brilliantly”. Unfortunately in a period of contraction the DPA like the rest of MOD are unable to offer the promotion opportunities of yesteryear.

Recognition

One person was in the process of compiling a return to the IPTL “as to what the team thinks the rewards should be”. His team-mates recognised the financial rewards but were saying “all they want is the line managers to be more open with them and to congratulate them when they have done a good job”, things which the IPT had introduced both at informal fortnightly team meetings and on notice boards. They like many did not feel it was “necessarily a re-write of bonus schemes and things like that, we just feel that line managers could be a bit more reassuring towards the people.”

They even quoted concepts like “the inside picture of CDP saying thank you” and the “old certificate thing out there - that’s the CDP’s excellence award”. However, rather than enjoying this atmosphere DPA was an organisation in which “CDP will write ferocious letters about someone not getting a valedictory letter when they retire after 40 years, but in which a simple hand-written thank-you note from the top office is virtually unknown”.

Where at the business improvement seminar with enormous regularity: “XDs are lambasted for being too remote-we never see them around the shop floor” and people request “somebody say thank you to us occasionally”. So the issue is not limited to the hierarchy it is pertinent to line management as well. I had a concern that this was the case in my own directorate and introduced a concept whereby when anybody was going to an interesting event and using a hire or staff car that they took one of the hard working members of staff with them as a reward. The point worth making is that no extra expense was incurred and yet it had a significant impact on the morale and performance of the less travelled members of teams.

Philosophical issues

Others thought "People seem to be achievement motivated, so for them to be motivated they need to be able to achieve". The logic continued that if SPI "really worked and the team really were empowered and they achieved things quickly, they would be very motivated". Unfortunately, the decision making process was seen as "very long" and "people don't achieve", therefore they are "not necessarily highly motivated."

There were other areas, which were not perceived culturally as rewards and "training was definitely one of them". One civil servant mentioned that "whereas on the whole we are allowed to go, I don't think we see our training, which I think is hugely generous, as a reward." In the military the successful completion of courses often goes hand in glove with enhancing promotion prospects, where even attendance on courses is selective.

The whole area of incentivisation was described as "utterly fraught, not because people have not been willing to try and move it on but because everybody has been exposed to the concept during the breakthrough process and their expectations were heightened". Alas, it is feared that government bureaucracy and rules may scupper novel or commercial practise being introduced.

How great a change has been introduced through the creation of IPTs?

General

Falling out of the analysis were a number of themes key of which were organisational, responsibility and the change process itself.

Organisational

The most fundamental change was "having all elements of an IPT working as a multi-disciplinary group comprising the ILS, requirements, commercial, finance, technical and support staff, which means that we should have everything within the team to do the job".

However, it should be recognised that there was "not enough industry in it as there should be." Within the IPT "all team members are engaged, not only in their particular role and job, but in whole IPT issues" like focus groups addressing the excellence model. In practise, the IPTs have recognised that greater responsibility attracts a need for "a lot more staff than they have now to do the job". This reasoning was reached because redundancies saw the loss of "really experienced people and cuts have

been applied over the last few years” and together they have impacted on the teams’ ability to conduct their “tasks effectively”. Moreover, areas of responsibility like for safety and QA are growing in importance and therefore “can no longer be dispensed with.” Carrying on with the financial theme others found the hard and stretch targets also to be a burden placed on the IPTL’s shoulders and considered that “a lot of those are actually totally, and utterly unachievable”. Some IPTL’s were new to the post when the savings were identified and “knew very little about how the IPT worked or “fully understood what the problems were”.

The point was also made that an IPT was only as good as its constituent parts. Ideally, this comprised “good strong leadership with team members that are prepared and willing to ask advice, have confidence and work hard”. The proposed development and selection of IPTLs should provide better-qualified leaders. The pressure on the IPTs should assist in the weeding out process and although “the idle ones are very few and far between” there remained a few who “were unwilling to ask experts” for their advice and this could be detrimental to the team. There was a degree of “mentoring going on in the contracts and finance side” but “very little mentoring goes on in project management or the technical side”. Where mentoring is on –going it was seen as necessary because of the junior status and relative basic Knowledge of many contract and finance staff. Peer Group reviews may flush out a shortfall in technical or project skills but the IPTL should be able to foster these skills within the team. However, the inter-relationship between IPTs and the support groups should be monitored as it matures and any adverse tendencies like people not fulfilling their mentoring responsibilities rectified.

The concept of IPTs was seen as “quite profound”, “probably irreversible”, which “will take time to happen” and by that I believe the observer was referring to realising the full potential and benefits. Some teams were already on the IPT path and yet “tried to carry on as is”. Others “have really tried to embrace the change and you see some positive results in terms of the teams being quite well motivated”. The “inclusive nature in IPTs is quite a big change”. “You are thrown together and because you are all sat together as well, you actually talk a lot more and get a better understanding for the functions everyone else does.” People were also “working harder” because “they are being asked to do more than they were before”. This was in part attributable to the dissolution of the business units and “so a lot of the tasks which were dealt with at a higher level are now being cascaded down”.

A very interesting analogy to “The old family tree is up-side down” was used to describe the degree of change experienced. The “whole idea is the IPTs are at the top, as the main focus of the organisation being supported by the executive board as mentors” and the “support groups at the bottom” are “helping them on their merry way to deliver the core business of the DPA”.

The function of the XDs as mentors was called into question as “some of them are having difficulty letting go of their previous DG role, where they were the ones that carried the can when things went wrong.” The XDs were selected “through open competition but it was “not open beyond the MOD”. It was considered that the introduction of at least one XD from outside MOD ranks may help to instil a greater commercial flavour to the Board and assist in the speedy change of the Board’s culture, rather than just having the non-executive post as the person from industry.

One of the largest changes has been almost architectural in nature namely “the number of contacts has increased by a factor of about eleven”. This significant increase over the business unit architecture has weakened relationships across the DPA and yet the antithesis appears to exist with the customer who has a much closer relationship and a “feeling of immediacy” now with the IPTL. Moreover, there has been a significant shift in “the way that we work as an organisation” because there is “a much stronger focus on and identity with teams than previously”. A word of warning went out “Potentially it can be disruptive for the overall organisation because potentially you could have infighting within IPTs” similarly there could be warring between IPTs seeking support. Another potential danger identified was “that across the board you can miss things because everyone is focusing on their own targets” so the benefits of interoperability, common technology and protocols could be discarded.

Responsibility

An older member illustrated the changing nature of the culture as “whereas you had to ask permission to breathe, when I first joined in 1976, you can see how it has changed to where you have more team involvement”. Understandably, some “are caught between the two” cultures which “is a difficult position to find yourself in”.

The “lowering in grade of some IPTLs” compared to the previous Project Management rank structure coupled with delayering the hierarchy has devolved responsibility and placed greater authority in the hands of younger people. Some also saw this trend as a shift in power which was well illustrated by the IPTL’s ability to “hire and fire, but before, that was never there”. In reality the position of the unions would still restrict the employment freedom described. However a constant theme was “what we haven’t really seen quite yet is genuine empowerment between leaders”. There was a more pragmatic view that “it wasn’t made clear right from the start what structures were going to stay in place and that we were actually going to paying lip service to this idea of autonomy in some areas.” This reasoning was extended when describing the resultant situation as “It’s almost as if there’s an element of one hand tied being tied behind my back.”

The change was described as “massive” and this was qualified by “you have got your various targets, which are much more open and monitored and therefore people are openly more accountable now”. This was seen as “a good thing because people will eventually become more fulfilled and possess a greater sense of achievement”.

Change Process

One IPT had established a “core-management team comprising Grade 7s and above” who had difficulty during the breakthrough process of “understanding the concepts themselves”. It then became difficult to “get any new ways of thinking and new values instilled lower than the Grade 7s because everybody knew what a difficult time they were having so it must be difficult, it must be awful so why should I do it?”

Another observation regarding the change process saw a correlation between age and acceptance. On one site, “where people have been in the programme for twenty-odd years, the average age was late 40s early 50s”. On the other site the average age was early 30s and they “completely embraced IPT and wanted to move it forward”. The other site “showed great resistance to it and still is but due to their greater age and experience, they also are the preponderance of the management team”. Another view considered that “I don't think the military guys struggle so much because they are used to a constantly changing environment” One IPTL believed that age was not such an important factor and instead “you either like change or you don't. It's a personality thing.”

Objective 5 was to identify change initiatives, which are harmonising effectively the cultures within ECC.

How has your understanding and belief in the SPI processes been changed?

General

There were only a few strong themes and they very much match the spectrum of views you might expect from a body approximately one year into a change management process. Many started off as sceptics and their view changed positively with experience. Some believed in the principles from the outset and are gaining in confidence through experience and have a tendency not to rush their final judgement. And only a small minority remained sceptical as they felt that key issues remained unaltered.

Converts

There were those who felt that the DPA had become better at broadcasting new initiatives within the SPI umbrella, and this had helped progress their adoption. A combination of on – going road shows, presentations, and lectures have been used to disseminate this information rather than “just dumping it on your lap” as they did in the past and as a result people can understand and identify with the aims.

The perceived threat to SPI was that it would hardly be noticed in a plethora of new initiatives such as RAB and other aspects of the SDR that were planned or underway at the time of its launch. Even if it was noticed it was considered “unlikely that it would last much beyond a couple of years” as it was “just another one of those initiatives that the department goes through every ten years or so”. However, many saw SPI as “embracing new ideas that are well placed on old foundations” and as a result believed “that it is here to stay”.

Others were less committed at the outset although believed that SPI “was a good idea because it smacked of common sense”. Many people enjoy the challenges of change and therefore tend to look “to the opportunity in it”. Such a body proposed, that “there have been opportunities and on the whole we have taken advantage of those opportunities and we as an organisation have moved forward hugely and improved”. Others shared the sentiment “that my initial severe scepticism has been ameliorated because SPI seems to be working” giving examples of greater engagement of the Customer and industry.

There were those who did not expect very much at all “because much of what you read about SPI you believed was happening anyway, and it was just a way of putting a name to a lot of existing initiatives”. To them it was not until you emerged from the breakthrough process “that you begin to see that there are improvements”. Some improvements were obvious “others more subtle in terms of the way in which people are working together and understand each other, and just a better feeling of working towards the same goal”.

Believers

Many believed in the SPI but identified that “insufficiency is now becoming more evident”, which in this instance was a reflection on “significant elements of the MOD that are manifestly not playing”. The cause was seen as a lack of pressure on other elements of MOD to make a contribution to SPI and this resulted in their contribution being “actually negative, it is not really impassive”. Once again it is

believed that the focus of their attention was the scientific scrutineers who were not directly involved in SPI.

One positive driver of the SPI cause was the incontestable integration of “the financiers and contracts people within IPTs”, which had led to a “closer working relationship between them and the procurement civil servants and military”. This in turn in the view of a senior IPTL created “a much stronger working environment within my team to embrace it (SPI), to adopt the best of it.”

Others felt that over time “a lot more clarity and less uncertainty” had been added to the processes identified in SPI. They referred to “Some of the systems that weren't there to start with are now beginning to take shape, some of the organisation that wasn't working in the early stages - like the peer group structures - are beginning to take off and I think beginning to become useful”. Peer Groups were a specific recommendation from Mackenzie that “people had a doubt about” although they were now seen as “a sort of self help group in a way” where a few resources and ideas could be shared, and through comparison best practise identified.

A small minority felt that they were less positive now than when they first started because “things were not quite the same as you had hoped they would be”. That said they were prepared to allow the initiative to run its course and allow its further development before reacting negatively. They recognised the many positive elements of SPI but were concerned that such fundamental concepts as empowerment were not delivering what many had expected. Any further erosion of empowerment would result in people becoming disillusioned, “because you have a promise that is then not met”.

Continuing with the realisation theme, another body viewed SPI a couple of years previously as “it's terrific, it's intelligent, a much more sensible way of doing business” and they adopted this opinion in part because people tend “only to highlight the positives at that stage”. During implementation they came “across the negative” aspects of the process which in turn removed their “rose tinted glasses”. One example given to illustrate the point was an IPT which was “experiencing a massive push to cut costs and we're off loading unnecessary contracts”. They were also “cutting back drastically on the operating budget because all of a sudden we are exposed”, whereas previously “our over spend was sucked up in a much larger business unit”. However, this negative dimension was viewed as a natural phenomenon associated with any large initiative and so it did not detract from their fundamental commitment to the SPI.

An experience IPTL also dwelled on financial issues and in particular aired his concerns with the approach being adopted to the then current savings round. He believed that much hype had gone into selling SDR and SPI as a more intelligent way of conducting business and yet on the horizon loomed

the prospect of arbitrary savings cuts, which he felt would “undermine creditability in the system”. A system where “a whole organisation is pushing the bounds, is not being cautious, is not being slow and plodding”. He felt that if the system reverted to “arbitrary salami slicing- type financial cuts, then people will loose the desire and the belief within the organisation”. More importantly, they would also “become very cautious again, because they will not offer up a hard target saving, if on top of that it is perceived as standard to levy a sort of 1%, 2% or 5% cut across the board”.

Cynics

There were those traditionalists who could see no change to the functioning of the project teams since donning the IPT mantel, rather it had led to some “disillusionment within the IPT about what Smart Procurement is. It’s just another change”. Another IPT member, this time of a joint US/UK team, felt that they had already adopted many of the practical steps associated with SPI before its implementation and as a result the only novelty was compliance with new instructions and management layers.

There were other believers who remained sceptical of the project milestones and targets and felt that negative results would soon unfold and reflect the ambitious nature of the initial predictions. Remaining on the savings theme, one respondent felt that SPI was “seen as a political bludgeon weapon to reduce costs” and this had led to a lot of scepticism, particularly from those of us who can remember front line first and all the initiatives of the 80s”. Another protagonist considered that some form of advertising should be used to illustrate how savings made in one area had been used to benefit another part of MOD rather than leave you “feeling terribly uncomfortable” because savings seem only to benefit of the Treasury.

There were experienced procurers who anticipated from the outset what they perceived as inherent flaws in SPI. These included IPT members “being thoroughly over worked and uncomfortable with new found responsibilities”. That the “Executive Board couldn’t let go as much as they are supposed to and they would still be dabbling with projects”. They also predicted IT failing to support the business process effectively. Issues raised by many throughout the interview process. The younger respondents seemed more sympathetic and “very pro” SPI because they came with only a relatively small practical procurement baggage.

In what way has the recruitment selection of key people and any redundancy scheme added to the change process?

General

Four themes or areas of interest were raised: turnover, redundancy, recruitment and selection.

Redundancy

The first step in the downsizing process was seen as the co-location at Abbey wood when “a lot of good staff as well as some dead wood, like the people who didn't want to move” departed leaving mainly “keen people who wanted to make it work”. “Unfortunately, four years down the line they offered them an early redundancy package which meant that a lot of those key people were able to go on very favourable redundancy terms”. Some believed that the only thing that came out of the scheme was the loss of “an awful lot of expertise” and a “lot of knowledge”. Moreover, with the introduction of semi -autonomous IPTs there has been an increased demand for specialists in areas like safety and QA “and those resources aren't available” even though the quality of recruits “tends to be high in terms of personal qualities”.

The voluntary leaving scheme introduced in 1999 “picked up a number of people who were clearly out of kilter with the demands of the organisation and had to go, but equally it was a streak of generosity and lack of practicality that lead to a number of people being paid to leave to go to another organisation”. This scheme, it was alleged, allowed a number of people to join whatever firm they chose, which may not have been permitted had they resigned in the normal course of events. In addition, the creation of the DLO allowed people to move out of the DPA and transfer in to the new organisation. The total package saw the removal of approximately 300 personnel permanently from the DPA, some of whom were a loss.

The early retirement scheme was also seen as a spend to save measure as in some areas “all those who went into early retirement found their posts were cut. Some of it was coincidental, but as a PR exercise it was a disaster.” Less of a disaster was the “stick as opposed to carrot -like” activity which introduced a “few shocks where people who did not cut the mustard have been moved on”.

Others saw the early retirement scheme as part of a package to weed out the less committed and together with a more bullish recruiting policy motivate the workforce. The motivation coming from the theme that career progression was no longer dependant up on “dead men's shoes”. One respondent felt that the DPA should “be much more ruthless and have a much more open structure than we do”. By that he felt that all posts should be open to all DPA members within reason.

Recruitment

It was seen that recruitment and selection are two avenues, which can demonstrate a “culture that we don’t just appoint muggins when it is his turn”. However, the civil service are experiencing “great difficulty coming to terms with the fact that these posts can even be known to be open to competition let alone having to run that competition”. This has resulted in a degree of conflict with regard to the level of competition and whether the process is providing the best person for the job. In the early stages surplus but qualified civil servants could be run for a post without open competition and indeed some IPTLs were selected on that basis. Others have produced a competence set for the appointment that also limits the field. It is not unnatural that bodies such as the civil service would wish to protect the career opportunities of their ranks. However, the creation of “too much of a comfort zone” prevents the ideals of open competition delivering the best person for the job particularly for key appointments like IPTLs.

One of the concerns with recruitment was that the policy appeared to be “shrouded in mystery”. It was difficult to determine how the policy works because “some posts are advertised for industry to apply and others are restricted to people in the MoD only and how they decide that I don’t know”.

There was a view that recent recruitment into the DPA had delivered a “cadre of people who were intellectually and technically competent and expected advancement”. Unfortunately “initial responsibilities and their the wages did not actually meet their expectations” and they saw greater benefits being available outside.

Another reasoned that “I don’t think we have cottoned on to the human resources and how to do it properly”. He went on to propose that “the early retirement scheme involved whoever was willing to go and you lost some really good people. There appeared to be no sort of logic as to whom they let and didn’t let go. Another illustration of the point concerned recruitment of HPTOs “because there aren’t enough of them”. This resulted from “a lot of people as part of the brown envelope exercise having to cut money (operating costs)”. This was “achieved by down grading posts and civilianising Service posts” and in that process a further demand was placed on HPTOs when a shortage already existed and so “we ran with lots of vacancies”.

IPTLs, who were a key focus of SPI, had the greatest degree of choice in who joined their teams and in such an environment it was difficult for the support teams to recruit effectively. It was hypothesised that this dichotomy would remain because the agency maintained an IPT orientation and the other areas would therefore remain less attractive.

Selection

A number of people had failed to notice much difference in the selection process noting "that it is the same sort of people who are now heading the IPT's as were heading the previous projects". This in part was attributable to retaining "the same old personnel organisation who recruit in the same way" although it was recognised that they were "trying to introduce the acquisition stream slowly."

Selection was also seen as being "too restrictive". Instead it was proposed that "you should move to a market economy but of course the civil service has got to be seen to be fair and it can't ever be like a commercial company".

The general perception was that external recruitment had not been wildly successful and only one externally recruited IPTL could be named. Instead they thought that it was the "chap who was in the job originally, became the IPTL although they had to go through the competition thing". It would have been beneficial to introduce industrialists into leadership roles but it was believed "we don't pay enough in the MOD to have intelligent enough project officers who can see the true benefits as they emerge in technology."

Turnover

One IPT experienced a 25% turnover of staff including key people in about six months. This "very disruptive effect" was due to early retirement, promotion and people moving on and at the time of the interview they had "only just got back to a degree of stability ready to tackle break through". A more discouraging statistic surrounded another IPT that had experienced a 70% changeover in staff since break through, albeit the majority of moves were attributable to tour lengths coming to an end or moves on promotion. Unfortunately, in this instance some of the replacements had not attended a break through and this affected the team's performance.

How has the move of the RM staff to Abbey Wood affected practice?

General

Their responses created three themes, which are comments on the function, communications and administrative issues surrounding the introduction of RMs. The purpose of placing a CM's representative (RMs) into the DPA was to provide immediate customer advice to the IPTL and specifically aid in the progression of requirement documents. In that process he is expected to "conduct day to day liaison between IPT and customer 1". This was manifested in most RMs "spending a part of their time in MOD keeping up to date with what's going on."

Function

One interviewee had only recently received a RM into his IPT and as a result he tended to still rely on the CM fraternity in MOD for advice and this was not uncommon. It was also fairly common practise amongst cluster IPTs, as the RM in Abbeywood did not have the expertise to cover all projects. Where RMs came into their own and their presence was most appreciated was in IPTs addressing single large projects and here they could provide immediately expert user knowledge.

Now the responsibility for delivering the systems requirement documents has been devolved to DPA “the project officers think it is useful having them close to hand because they are the ones who have to agree with requirements and any changes to the requirements”. Having a military man in a team was seen as a “great benefit particularly as he could also explaining how the rest of the system works. He should also “understand the customer view of what he wants and is empowered to talk about it, agree to trade off and work towards common goals”. In such circumstances, having a RM as “part of your team is really important” and “very good for morale”.

Communications

One more junior IPT member recalled the IPTL saying “thank God they're here and we haven't got to keep trying to get in touch with them in London all the time”. That was no easy task as much of the CM's staff time was spent on the road visiting international partners, scientists or industry.

The ability to “talk on a day by day basis” had led to a “much better understanding of what both parties were trying to do. You also “sense that you are getting it from the horse's mouth” which again provides greater confidence. One RM with prior OR experience felt that his DPA colleagues were huge fans of RMs and this was corroborated by his IPTL.

Some noted that the DEC staff find themselves under- resourced. As a result, “the RMs have been doing that much more work for both the customer and the team, which has loaded them heavily”. Moreover, this inter-reliance has also helped “create a team spirit between my IPT and the DEC”, which should in turn eliminate any past practise of “working against each other”. In this process the link has also been strengthened “between the end customer's needs and aspirations, and the work that the project team are doing”. In part because there “is much more of a military input into the work of the IPT and also because the RMs are more adept at getting into those areas”.

One IPT member whose team was without an RM drew on past experience to show that where a representative existed in a project team like an ILS or Quality Manager the team possessed a conscience or champion who would not allow you to forget their needs in your daily business.

Administrative

One of the major concerns was “a danger that these poor guys are going to go native and just become DPA orientated and forget their prime customer role”. This will remain an issue as long as RMs are only provided with limited CM orientation prior to assuming their role but this should ease as the educational establishments provide focused CM courses.

A similar difficulty could arise if “either the IPTL or DEC fail to change their culture” to match better the SPI ideals because then the RM could be pulled in two directions rather than enjoy the confidence of them both. Where IPTs “didn't get what they wanted in requirements managers terms” they suddenly found that “one, they cannot deliver, and two, the requirements management function had been dropped by DEC’s”.

What new skills do you think you have been required to adopt to fulfil new tasks?

General

The themes emanating from discussing this topic ranged from none through to developing old skills, mastering new skills and by far the most important to improve a range of skills which I will loosely term communication skills.

Communication skills

As a result of SPI, many had adopted a new way of working and one of the key attributes of the process was better communications. This was described as “how we communicate differently and more effectively with people both within our team and externally to contingents such as industry”. With increased responsibility “for team selection interviewing skills were required”. Better communications contributed to the effectiveness of the chosen teams and it was also recognised that “team working is something that you have to work at, team working doesn't come naturally and team building skills were therefore essential”. As was the “greater emphasise placed on leadership” which involved skills “in coaching, mentoring, setting a clear vision and walking the talk.”

Post breakthrough the continuations of IPT and support group training was partially left to the IPTs and support Group directors to arrange and there was a significant gap between individual approaches. Some were able to report activities tailored to “keep the impetus up” such as customer days and customer workshops aimed at making teams “more customer orientated”. Others were looking towards defence management training to ensure that procurement activity was placed in a wider MOD and government context. Greater emphasis was placed on “understanding what you are trying to do” which involved “knowing the stakeholders and how best to curry their support” which in part was achieved through “honing relationships”. At the other end of the spectrum there were those who felt that “there is very little to keep us sustained”.

Interviewees were “not convinced that these necessary skills were developed” before SPI, “particularly as you move down the organisation in terms of grade”. It was not deemed necessary “to show every EO the full picture” and so “we did not give the requisite training”. Others were not convinced that “we have actually got the training in place to sustain it now”. The less senior military officers enjoyed their new found empowerment and felt well equipped to discuss openly and more freely, at various levels, aspects of their programme. In part this could be attributable to their recent completion of their staff courses.

New skills

A dichotomy appeared to exist for people who joined IPTs without experiencing a breakthrough process. A welcome pack had been introduced but “we have not got anything in place to introduce them to all these techniques and things we have used during breakthrough” and so “they are going to be behind the curve”.

Most thought there were only a few new skills outside of the breakthrough process techniques and one of those was “smart requirements and the need for requirements capture”. This area of activity was so novel to the MOD that “special training” was sought. Another relatively novel area to DPA requiring specialist training was PFI/ PPP. New skills were also required for the much closer working relationship with industry that accompanies such programmes.

As with the remainder of the MOD there were new skills to be mastered in financial management terms like “RAB and the new financial systems and processes”. This was attributable to “Everyone is looking at the balance sheet now”. There were other calls for “entrepreneurial skills and greater strategic thinking” to identify ways of using our staff and resources effectively, how we stretch targets and masses of ways of trying to reduce costs”. In some respects this was seen as “coupling innovation and financial acumen and having all that information together in one place to make decisions.” Major

decisions were now to be made on a much more succinct document called the business case and the construction of such a case was novel.

For the RM there were a number of novel skills to be mastered not least of which was "to understand fully capability across the piece as encapsulated in a system of systems approach." Moreover, to achieve a firm grasp of systems engineering which demonstrably flavours the requirements capture activity.

In addition to the specific skills mentioned individuals felt that they needed "just to keep an open eye into what other initiatives are coming in, and try to draw them into what I do on a day to day basis anyway."

Developing old skills

Although computer literate on arrival a number of respondents were unable to attend external courses so had been learning from team-mates and through practise the intricacies of ASPECT, AMS and other applications available over DAWN.

Many did not adopt new tasks as a result of SPI and so felt well prepared for their role and only really gained further knowledge through experience. However, such activities as customer survey, process mapping, project scheduling and common project reports some of which were required through ASPECT appeared to be given greater emphasis and therefore used and practised more regularly.

Some people felt that patience was required because there was "constant demand on time, and this goes for everyone". It would appear that if you had unique expertise in any field then patience is definitely required because you "tend to be the first port of call for advice to people across the DPA." Motivational skills were also called for "because there are a lot of staff who want to be carried along, so we have had to motivate them and get them going."

Contracting skills have had to be developed "to become more adept to change" and "looking at all ways of getting the job done so that we can pay less and get a really good job done". In that activity a lot of "people had to become a little bit more conservative in their views of industry" and "more diplomatic in their dealings with them".

None

To some support group members there was very little change other than there appeared to be more emphasis being placed on Equal Opportunities awareness. An activity, which demands that all teams, has an officer responsible for disseminating relevant information. In addition, people were expected to attend at least one of CDP's business improvement seminars and any refresher courses post the breakthrough period.

How has the corporate image of this organisation changed?

General

The key themes that fell out of the interviews were different views of the internal DPA image and the external image of the Customers and industry.

External

Many thought that the DPA was "attempting to make itself more approachable" and "shed some of its stuffiness in the process". It was felt that it had also shed "the image that civil servants just sit around drinking cups of tea all day" and instead they were now on a convergent, modern and more dynamic path with the customer and industry (perhaps even taking to quaffing champagne). Because of this DPA was seen "as a more state of the art organisation than maybe we were before," which was "more focused". It was also viewed as being "built around integrated project teams and thereby appearing more modern, more in step with companies and suppliers". Others lay the cause for improvement at the feet of the "DPA being associated with very stringent performance targets, so people think the government has at last got a grip of the procurement end of the business. And that it has rejuvenated itself by rearranging this great hierarchy that we had before". Moreover, they now engaged in a more dynamic and regular dialogue with industry where in some instances "they visit weekly or just drop in for a chat for a couple of hours". It was believed that regular and more informal dialogue had altered industry's perception of DPA's commercial awareness.

It was not believed that, "we have had time to have a real effect on the user because he hasn't seen things coming in quicker and better". That said, the first "customer surveys considered we were performing very poorly at all levels." However, it has to be recognised that the survey was conducted "whilst London were re-organising and before really the SPI got underway". There has to be some comfort in knowing that in some respects there is only an upward path on which the DPA is "now seen as a supplier there to meet customer needs." Others believed after discussions with the customer that

IPTs “are reacting more effectively to their needs, and that’s simply been generated by the fact that we have been pursuing more customer supplier agreements and attending capability working groups and the like.”

A path which will have to be followed to alter the outside view, which is very much flavoured by “the annual NAO reports which present a very negative view of us.” Publicity which is “unlikely to help in recruiting” and which is unlikely to report quick wins because projects take so long. As a result, “there is no strong feel good factor and a number of recruits leave”. This view was countered by another respondent who felt that he was dealing with an “industry dying on its feet because defence isn’t interesting anymore or as important as it was”. He felt it was time that people recognised that the image of “MOD or the DPA managing projects badly was inaccurate and instead they should appreciate “that industry just couldn’t perform or be consistent”. He refined this view by recognising that “the biggest improvement we have made is actually saying that we want a service, we want an output” and with such an approach there was a greater likelihood of success because industry had greater flexibility.

Internal

Some felt the organisation was “a bit like a headless chicken.” One of the key reasons for this attitude was the constant bombardment of E-mails emanating from the support groups and peer groups who send them to IPT leaders who then cascade them down. Apparently there is an awful amount of information, “that ought to be considered a bit more before it is sent out” not only for its content but the impact it is having on the workload. In the past “business units were more discrete” and caring in their passage of information. On the other hand “there are stories about CDP going to talk to people at their desks when there’s problems and when he’s been on line” and the “more that evolves in our culture the more you can see that it is beginning to change for the better”.

There were those in sympathy with the view that DPA “looks like a slightly more professional organisation because we have broken away a bit from the MOD, we have now got business planning processes in place”. In addition, “there was an improvement group sitting behind us that are trying to change things” and it was recognised that those “changes take time”. However, there can be little doubt “that internally DPA has fundamentally changed and there is no going back from the IPT ethos” at least not in the short term.

One of the benefits of a closer customer supplier relationship was seen as “within the DPA and MoD main building they understand well all the goals and ambitions, time lines and the pressures that people are put under to deliver on time within cost” which is a novel situation to the MOD. A

situation where the DPA might not be able to prove it “can deliver but one in which their progressive approach demonstrates they are probably heading in the right direction.”

There was general agreement that “we have transitioned into the DPA agency albeit some didn’t feel that it’s vastly different from the PE”. Many felt that “morale is low at the moment” and this they thought was “brought about by frustrations mainly to do with the constant cuts”.

No Change

The most jaundiced took a view that the only change was in the “name and a change in business cards” but a similar attitude would continue to prevail across the MOD namely “that’s another wasted study costing millions of pounds”. Another cynic felt that “there is also a sense of the usual suspects running things. So, if one’s corporate image starts at the board then it can’t change that much, can it?”

A more junior representative felt that the majority of the workers “see themselves as being part of an IPT but they don’t necessarily see themselves as being part of the DPA, because the DPA doesn’t really impact on them in the course of a normal working week”. This observation became linked to the image of the DPA, which he felt would not have changed significantly and that the real change and benefit was attributable to the IPTs.

Objective 6 was to provide an insight into other initiatives that could change culture to better develop SDI

Given the opportunity how would you change the culture of the organisation for the better?

Ideas such as better internal and external communications were considered, as was improved team working and financial responsibilities that could also assist in a necessary change in attitudes.

However, none of these measures were likely to succeed without adequate training and even then basic tools are required to conduct business effectively in a digital environment.

Communications

There were those who felt that the ideal way to establish what should be changed was to continue to seek the opinion of the staff through the media of “standard surveys” or participation in business improvement group discussions both of which allowed a degree of anonymity” and provided insights into the work forces’ values. Beyond SPI it was felt that culture change could be better conducted through “more consultation, rather than just dumping things”. It was felt that this would provide “a

little bit more forewarning and prepare the ground better for change.” Senior management was seen as a body of people who did not consult effectively. Yet if their aims were to be achieved “talking to the workers” would be both necessary and fruitful.

Carrying on with the theme of better communications many extolled the potential benefit of the “DAWN terminals”. A wealth of “information could be found there at your finger tips”, but currently “people don't always use it to the best advantage”. Probably because “we have all been inundated with nif naf and trivia E mails” until we are “sick to death of the sight of them”. If managed more effectively it was considered that DAWN could be an even more useful tool to the change process.

Finance

Another proposal for changing the culture was by “improving pay - because we have all got bills to pay!” The argument offered was that it would maintain a higher level of expertise and experience because people would not “go elsewhere for better pay”. It was felt that the current position of staff having to tolerate lower incomes than many local counterparts and work at least as hard and comply with “certain traditions or rules” did not help to construct a positive culture.

Another argument saw the DPA run as a business, because “if that is what it's being run as, then you can't define its limits within the normal government rules”. Instead, “you have got to apply business techniques to it, and if that means increasing people's salary then so be it”. The example used to illustrate the point focused on the “basic salary allowing you to advertise and recruit in a potentially better qualified capability”. However, it was pointed out that there was considerable difficulty in attracting “graduates into an organisation where they could be in charge of nearly a years project that is going to run 8,9,10, 15 million pounds and then pay them £21,000-£22,000 for doing it? Especially when next door, they can go into Hewlett Packard, double that, and probably have less pressure”.

It was considered that the disparity between military and civilian pay was brought in to sharper focus as a result of IPTs, particularly but not exclusively with small IPTs. In an era of reducing operating budgets there were those who could not see “why we should be asked to cut staff when we could employ in many cases two for the price of one.” Another person saw “removing the financial penalty of employing servicemen on site, and by that I mean, attributing the full cost of servicemen to the DPA” as a key step towards greater harmonisation.

It was reinforced that there was a need for all IPT members “to have a greater understanding of the “resource accounting processes which drives the projects”. However, although RAB was in the

process of being introduced and taught the general feeling was that people were not adopting a personal responsibility to spend money effectively and were not motivated so to do.

Team Working

There was a widely shared view that "SPI has improved the ways the teams work" and yet there was still work to be done "on bonding the teams together". Whereas in the past "F&S, contracts and the technical side were three distinct areas that tended to work apart" now "we are starting to cross boundaries and these three areas are now disappearing" but the bonding activity needs to be sustained.

In a similar vein it was thought that greater teamwork between IPTs would also deliver dividends particularly in the fields of sharing best practise and resources. Some considered that "you tend to re-invent the wheel a lot" whereas "out of 120 IPTs there must have been someone else who has or is doing the same". One example given was the generation of a business plan, which to a team of 20 was an arduous task. Whereas an IPT of 200 would have "more resources available for that" and it was proposed that they could "just hand theirs out and see how it works".

The concept of openness was also introduced when stating that there is a "cultural benefit if people had a better understanding of what others do". Although this was less of an issue with IPTs there was a "host of corporate DPA, most of which, most of us have no idea what they do". If on the other hand "people did understand the big picture" then they would profit.

Another IPT member explained that he attended a "training workshop as the Training Liaison Officer" a task which "takes up about 20% of my time". He felt that by centralising the training function the lack of resources within smaller IPTs would be addressed even though he recognised that "it would smack of the Business Unit and not being responsible for all of the elements of your entire team": a principle contrary to IPT.

Attitude

There were advocates of "recognising the huge constraints that are imposed by public accountability and worrying less about the past". Instead DPA "should be looking forward, focusing on achieving objectives and targets. Not looking for reasons why we are not performing, not finding people to blame but trying to find reasons why things haven't worked and ways round it". Some believed this required "a greater recognition and encouragement from senior staff". Others that it was no more than "that real old cliché of celebrating success I suppose, but we certainly don't do a lot of it". Some felt that when looking around "it is happening in some IPTs" but it needs to become the norm.

A unique point covered was “the Executive Board’s approach to the workers” which was soon to be addressed in a paper on ethics being written to meet “one of our business plan targets”. A theme being considered was “that there ought to be a stated contract with a small ‘c’ between management and the troops” so both sides knew where they stood. The type of benefit expected would be the workers looking to management to “act civilly” and the management look to the workers “to do things properly and if you’ve got concerns we’ll listen to them and we’ll act openly and properly.” There is benefit in such a contract as long as it does not become a millstone around what becomes a politically correct neck.

Again in a search for clarity there were those who felt “more has got to be done on the beliefs and values of the DPA to paint a clearer vision of where it’s going”. Currently the vision comprised “sound bites and 600 targets”. The Executive Board has a greater role to play in “setting the environment and the vision of where they are wishing to take this organisation, and bring people along with it.”

Others saw the need to “create an environment where people feel valued and believe in what they are doing, and feel as good as anybody else who is doing it.” To determine DPA’s relative status it was considered that “we could do a bit more bench marking against other countries and other Defence Procurement Agencies” to see how we compared. The current DPA status was compared with UK Defence Industry’s where “they feel about as motivated as the majority of the people existing in this dying industry where all their organisations are being taken over” and are “probably loosing their identity in the process”. DPA was seen as having a greater “chance of creating an identity because it was a single entity albeit growing smaller rather than declining significantly”.

Training

There was one senior military IPTL who felt that it was necessary to review the training and selection process from the moment somebody joins. The reason for this view was a comparison that he conducted which showed that “by the time an officer reaches the rank of Lt Col, he has probably had somewhere between 18% and 25% of his professional career in formal training. The equivalent in the civil service is only 10% and that’s not dissimilar to industry”. He went on to suggest that if “you want to produce a more effective organisation, then it has to be in the right cultural mind set for a start, and it has to be trained to do the job”. Whether of course the military training was relevant to the DPA is another issue.

It was considered that some of the current training could better explain SPI principles. This was likely to happen with the advent of the acquisition stream but in the interim there were measures that could be taken to assist the change process. It was felt that the civil service induction process and not just the

induction process for those joining the DPA should cover the principles of SPI, as the DPA did not function in a vacuum.

The Military were seen, as possessing many of the skills required for teamwork. Nonetheless it was thought that they would benefit from being taught to work with their civil service colleagues in a more harmonious way by “toning down the arrogance level” and learning not to “shout loudest down the phone to get the little civil servant across the desk” to react. On the civil service side, their training would benefit by “trying to take away their distrust of the military and the contractors” because in so doing the potential for change to succeed would increase.

Technology at work

There was still a considerable amount of time spent travelling by DPA staff and to ensure that down time was minimised it was suggested that all people had access to laptops. Moreover, in project work there is also a demand for pictorial images and here it would appear that the provision of digital cameras was also problematic. Moving up the investment scale there was also a belief that greater use should be made of digital technology in the form of “video conferencing especially with collaborative programmes”. The reason for this was “all down to cost”, which when it was all up and running “must be cheaper than flying people all over Europe and staying in hotels”. I know from my own experience we successfully employed PE’s and MOD’s video conferencing capability to conduct project meetings with US colleagues but they may not be available to all parties. The base lines being that if DPA is to align its culture with industry’s better then they should be given similar technologies to allow effective communications.

Objective 7 was to establish any sub cultural attitudes, values and behaviour.

If such sub-cultures exist within the DPA what way would you attempt to harmonise them?

General

The themes that developed were related to the internal development mainly of IPTs; how best to cater for the presence of the military; and how to harmonise better customer and industrial relationships.

Internal DPA team issues

One IPTL felt that one of the principle ways of achieving team spirit was the “creation of a true team environment where the commercial or financier is responsible to me, and are responsible for

interpreting product lines". In the past although some project linking existed these experts were "pulled left and right by different programmes and demands". By allowing the team "to work more effectively the chances are the products will follow." In some of the larger teams it was reported that there was "teams within teams, like the commercial, finance and project teams", where the task of maintaining an IPT spirit was more demanding. However, with the expenditure of taxpayer money "we have still got to have these separations of duty and the Treasury insist upon it" and so "there has got to be a limit into how far you are going to be able to integrate them (finance staff) anyway because of the audit trail." In many respects this preventative measure has mainly prevented fraudulent activity and secured best value for money.

It was generally accepted that there was a need to maintain some form of specialist streams whereby expertise in subjects such as finance and contracts were available to the IPTs. And a view is likely to remain that "there are allegiances to those functional heads from a professional point of view." In the support groups in particular there was a definite belief that "it is very important that people's background knowledge is retained and used". "Within the peer group we are going to have a commercial peer group section meetings and the requirement managers within the peer groups" are also getting together both with the aim to further knowledge, determine best practise and share experience. In the mid 1980s the Canadian Forces made an abortive attempt to create a single joint force which failed because people wanted to retain a single service culture and expertise. In a similar vein it was thought that you could "not dispose of any one discipline within DPA and create a multi-discipline corps." Rather there was logic in maintaining the status quo whereby towards the top of the hierarchy people became more multi disciplinary orientated and practised all skills as IPTs and ultimately as XDs.

Some were quite jaundiced in their attitude towards the theoretical concept of "trying to make them one big team where everybody is doing everybody else's role" believing that you may end up with a "Jack of all trades master of none". In that process you also lose the benefit of "different perspectives". The antitheses of this argument was also provide because it was thought that "the idea of people having two or more career skills and not just be a commercial or a finance officer, would be hugely useful in terms of our staff, our manpower and our performance as individuals".

There was also an issue regarding the interface between the Support Groups and IPTs. One way of harmonising these two bodies were for the Support Groups to have "more regular contact with the IPTs". This would be done without threatening the IPTs autonomy and by keeping track of the performance in their specific discipline of expert IPT members. This concept was already in train theoretically with the Peer group and mentoring concepts but alas that were not apparently working effectively.

One unique avenue of thought proposed that the social aspects of the team should be explored more fully. It was postulated that in so doing "you start to know people rather than just know a person at a desk, know them and understand how many children they have got - the family and where they come from and things like that", people will bond more effectively. One simple reason for bonding would be "that they are talking more" and with this caring attitude "morale would be kept up". Another method of increasing moral across the DPA was for line and senior management to "realise that they have a team that needs to be fulfilled and reassured" and another way of achieving that is "walking the corridors". This was an occupational habit of some but far from all.

The result of all this team building had been the creation of a new sub culture based on IPTs. They "believed in themselves and I know of others that do". This was not seen as "particularly negative, but you can sense the competition there. You can sense also not so much pride but you can sense a sense of belonging".

Military presence

The practise of breakthrough had helped bond the team and was definitely seen as "a good activity". On the slightly negative side, there was a strong view that it took people "away from core activity at the time when the programme was extremely critical" and it also "increased the workload over that twelve weeks". To some they breakthrough period lacked any degree of confirmation that what was preached was "actually taken on board as there was no exam at the end of it, there is no follow up". That said, the continuance of team building was considered important because of the "skill fade" concept and a number of IPTs were taking days out from their routine tasks for the activity.

Within the DPA the presence of the military wearing uniform caused various reactions. Some felt that wearing uniform provided easy recognition for the civilians to seek military advice, others felt that uniform manifested a cultural barrier and "greater understanding was required between the two predominant cultures". Either way it was considered that "the discipline of IPTs and Smart Procurement ought to encourage a degree of harmonised working, more by people just happening to do things in the same way than necessarily consciously attempting to harmonise". Others felt that the military "should have longer appointments" as it took so long for them to learn their jobs and in addition some were lost prematurely on promotion. Perhaps the introduction of the Acquisition Stream will overcome the problem of education and the Army for one has extended all posts to a minimum of three years. Before taking up posts the services should also attend "some interpersonal skills courses" specifically orientated towards working with civil servants as many failed to realise that they were no longer working in a service environment.

There was a perception that “the different Services will always have their cherished ways of doing things and some of that may be good because that is what keeps people, makes them feel that they are part of a team at the end of a day”. When it came to capability such diverse approaches could compound the problems of commonality, which remains “critical to integrating our kit on the battlefield”. However, by “following common SPI processes the likelihood of diverse views impacting on capability had been reduced” in the DPA. Apparently people had different way of doing things within the old Naval, Air and the Land systems areas and this heritage had not fully disappeared: it was alleged for example that “the Navy have too many people, they don’t work as long as others and they get more tools”. Hopefully with the retirement or posting of service people with long service in the PE/DPA and the dismantling of environmental areas any sort of internal imbalance between the services should be removed over time.

Another proposal for creating a more holistic approach was to “make all the different areas understand what each other is trying to achieve and what the collective goal is and bear that in mind in their procurement processes, rather than just meeting their own parochial sort of need”. This would in part be achieved by the sharing of Capability Area Plans and other overarching Capability documents. However, these alone would not provide the level of granularity necessary for commonality to be achieved in all areas such as logistics and communications for example and internal mechanisms were needed.

Another differential between the military and civil service was the former saw themselves as task orientated and the latter saw themselves as role orientated. One step for rectifying this issue was for the serviceperson on assuming an appointment to understand “that they are part of the organisation, and will have to change their behaviour and modify how they work to match the organisation around them”. The civil servants it was opined need also to change attitude and “abandon pre-conceptions and being willing to take people in to the team as they are and forget that perhaps they are only here for two years and then you’re off”.

External DPA team issues

In discussion the question of harmonisation of the Customer and DPA was raised, as in the past “one person’s priority was perhaps not necessarily the others” and this could lead to discord. However, the SPI approach reduced the likelihood of this being repeated as “the business plan and the targets: we are supposed to be going towards the same targets together”. Another proposed that “I think everybody’s thinking rather than it used to be, them and us, its more like, its just us.”

Although not signed up to common goals the relationship with industry appeared more harmonious “to a point”. IPTs “have had industry days where we just try to tell representatives this is what we are aiming for, this is what we are planning to do, this is what we would like you to help us with, and then they're fine”. However, when these goals clash with either “profit or the speed of delivery” then they become less co-operative “as they recall it's their shareholders they are answering to”. It was also suggested that with a greater spend up front a better insight into industry's plans should be achieved and opportunities to harmonise goals should arise.